

By Mr. NEEDHAM: A memorial from the legislature of California, asking Congress to suspend certain portions of the Revised Statutes of the United States for the year 1906, relative to mining claims—to the Committee on Mines and Mining.

Also, a memorial from the legislature of the State of California, asking certain legislation concerning the work of the Geological Survey—to the Committee on Appropriations.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AIKEN: A bill (H. R. 20269) granting an increase of pension to Sarah A. Galloway—to the Committee on Pensions.

By Mr. BEDE: A bill (H. R. 20270) granting an increase of pension to Michael Dunn—to the Committee on Invalid Pensions.

By Mr. BROOKS of Colorado: A bill (H. R. 20271) granting an increase of pension to Waldo Sprague—to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H. R. 20272) granting an increase of pension to James L. House—to the Committee on Invalid Pensions.

By Mr. FULKERSON: A bill (H. R. 20273) to correct the military record of James H. Magee—to the Committee on Military Affairs.

By Mr. SOUTHARD: A bill (H. R. 20274) granting a pension to Venier S. Feasel—to the Committee on Invalid Pensions.

Also, a bill (H. R. 20275) to correct the military record of Edward H. Severance—to the Committee on Military Affairs.

By Mr. TIRRELL: A bill (H. R. 20276) to refund legacy taxes illegally collected—to the Committee on Claims.

By Mr. WEEMS: A bill (H. R. 20277) granting a pension to Eugenia Sinclair—to the Committee on Invalid Pensions.

By Mr. ZENOR: A bill (H. R. 20278) granting an increase of pension to Alexander Bryant—to the Committee on Pensions.

Also, a bill (H. R. 20279) granting an increase of pension to Edmund Hostetter—to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AIKEN: Paper to accompany bill for relief of Sarah A. Galloway—to the Committee on Pensions.

By Mr. ALEXANDER: Resolution of Western New York Federation of Women's Literary and Educational Organizations, for amendment to Federal Constitution prohibiting polygamy—to the Committee on the Judiciary.

By Mr. BATES: Petition of Philadelphia Association of Retail Druggists, for bill H. R. 8102 (the Mann bill)—to the Committee on Patents.

Also, petition of W. F. Hill, State Grange, Pa., for Hepburn pure-food bill—to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER of Tennessee: Paper to accompany bill for relief of George Reagan—to the Committee on Invalid Pensions.

By Mr. DUNWELL: Petition of United German Societies of New York, for furtherance of treaties of arbitration—to the Committee on Foreign Affairs.

By Mr. FULLER: Petition of Illinois State Medical Society, for a law increasing efficiency of the Medical Department of the Army—to the Committee on Military Affairs.

Also, petition of M. H. Crider, Walter Porter, and W. C. Neely, for the pure-food bill and Federal inspection of meat-packers' products—to the Committee on Interstate and Foreign Commerce.

By Mr. GROSVENOR: Petition of certain oil producers of Marietta, Ohio, against pipe-line amendment to rate bill—to the Committee on Interstate and Foreign Commerce.

Also, petition, in form of letters and telegrams, from Moline, Ill.; Cincinnati, Ohio; Bridgeton, N. J.; Chicago, Ill., and Minneapolis, Minn., against the eight-hour bill—to the Committee on Rules.

By Mr. HOUSTON: Paper to accompany bill for relief of J. C. Williams, heir of Chirley Williams—to the Committee on War Claims.

By Mr. HUFF: Petition of C. A. Hite, against pipe-line amendment to rate bill—to the Committee on Interstate and Foreign Commerce.

Also, petition of Associated Producers' Company, against the pipe-line amendment to rate bill—to the Committee on Interstate and Foreign Commerce.

By Mr. KINKAID: Petition of merchants et al., of Atkinson,

Holt County, Nebr., against parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. WILLIAM W. KITCHIN: Paper to accompany bill for relief of George H. Preddy—to the Committee on Military Affairs.

By Mr. LACEY: Petition of J. T. Tunbrel et al., for the pure-food bill and Federal inspection of meat-packers' products—to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY: Petition of the New Immigrants' Protective League, for a commission to study and formulate a feasible system for distribution of immigrants over the country—to the Committee on Immigration and Naturalization.

By Mr. McNARY: Petition of common council of the city of Boston, against the immigration bill—to the Committee on Immigration and Naturalization.

By Mr. STERLING: Petition of William Dancer, Kempton, Ill., for pure-food bill and Federal inspection of meat-packing products—to the Committee on Agriculture.

By Mr. TIRRELL: Petition of Hyland C. Kirk, relative to certain patent from which the Government has derived (so petitioner claims) very great advantage—to the Committee on Patents.

By Mr. VREELAND: Petition from many producers and refiners of petroleum, against the pipe-line provision in rate bill—to the Committee on Interstate and Foreign Commerce.

#### SENATE.

MONDAY, June 18, 1906.

Prayer by the Rev. ULYSSES G. B. PIERCE, of the city of Washington.

The VICE-PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of the proceedings of Saturday last; when, on request of Mr. GALLINGER, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

#### NAVAL APPROPRIATION BILL.

Mr. HALE. I ask the Chair to lay before the Senate the action of the House of Representatives on the naval appropriation bill.

The VICE-PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the report of the committee of conference on the amendments of the Senate to the bill (H. R. 18750) making appropriations for the naval service for the fiscal year ending June 30, 1907, and for other purposes, receding from its disagreement to amendment No. 4, and insisting on its disagreement to the remaining amendments, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HALE. I move that the Senate further insist on its amendments still in disagreement and agree to the conference asked for by the House, the conferees to be appointed by the Chair.

The motion was agreed to; and the Vice-President appointed Mr. HALE, Mr. PERKINS, and Mr. TILLMAN as the conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had passed the following bill and joint resolution:

S. 280. An act to provide a life-saving station at or near Greenhill, on the coast of South Kingston, in the State of Rhode Island; and

S. R. 60. A joint resolution providing for the purchase of material and equipment for use in the construction of the Panama Canal.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4468) to amend an act entitled "An act to provide for the appointment of a sealer and assistant sealer of weights and measures in the District of Columbia, and for other purposes," approved March 2, 1895.

The message further announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the following bills:

H. R. 10715. An act to establish an additional collection district in the State of Texas; and

H. R. 19681. An act to survey and allot the lands embraced within the limits of the Blackfeet Indian Reservation, in the State of Montana, and to open surplus lands for settlement.

The message also announced that the House had passed the

following bills; in which it requested the concurrence of the Senate:

H. R. 19519. An act to extend the privileges of the seventh section of the act approved June 10, 1880, to the support of Superior, Wis.;

H. R. 19844. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes; and

H. R. 19854. An act to authorize the board of supervisors of Sunflower County, Miss., to construct a bridge across Sunflower River.

The message further communicated to the Senate the intelligence of the death of Hon. RUFUS EZEKIEL LESTER, late a Representative from the State of Georgia, and transmitted resolutions of the House thereon.

The message also announced that the Speaker of the House had appointed Mr. BARTLETT, Mr. GRIGGS, Mr. BRANTLEY, Mr. ADAMSON, Mr. HARDWICK, Mr. BELL, and Mr. LEWIS, of Georgia; Mr. BURTON of Ohio; Mr. BANKHEAD and Mr. CLAYTON, of Alabama; Mr. SPARKMAN of Florida; Mr. BISHOP of Michigan; Mr. LAWRENCE of Massachusetts; Mr. DAVIDSON of Wisconsin, and Mr. BURGESS of Texas as members of the committee on the part of the House to attend the funeral.

#### ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 19432) to authorize additional aids to navigation in the Light-House Establishment; and it was thereupon signed by the Vice-President.

#### GRADING AND INSPECTION OF GRAIN.

Mr. McCUMBER. I present a petition in the shape of a letter, which I ask may be read and printed in the RECORD. It is very short. After it is read I wish to make a very brief statement explaining it.

There being no objection, the Secretary read the letter, as follows:

SUPERIOR BOARD OF TRADE,  
Superior Wis., June 12, 1906.

Hon. P. J. McCUMBER, Washington, D. C.

DEAR SIR: We are directed by the board of directors of the Superior Board of Trade to write you regarding the overage of 26,000,000 bushels of grain as indicated by the figures taken by one Mr. Crumpton from the official figures of the Minnesota grain and warehouse commission. This report, as well as the official figures, are now claimed to be erroneous.

We do not vouch for the accuracy of any of their figures, nor do we contend that the purloining is to exceed possibly 6,000,000 bushels, but it is no doubt of sufficient quantity to cause alarm, and of sufficient importance to justify an investigation by the Interstate Commerce Commission.

We would strongly urge such an investigation, and if desired will take pleasure in extending to you the assistance of persons here who have been familiar with the grain operations for several years.

The friends of the present Minnesota inspection lay great stress upon some error claimed in arriving at the figures of this large overage, but this is only one of the vulnerable points.

They say nothing of their attempts to cover up this stealing by shipping out wheat as screenings, but an investigation will bring out these facts, as we can name men who know it to be true, and who will give dates, weights, numbers of cars, persons to whom sold, and prices paid.

They say nothing about the pressure brought to bear on Mr. Crumpton to get him to change his figures and to retract sworn testimony given by him in circuit court before Judge Parish.

Mr. Crumpton is now a member of the Duluth Board of Trade, having paid about \$2,500 for his membership, and they, the Duluth board, might make this a serious matter for his business and membership.

If we can be of assistance to you in this campaign for honest grain inspection, give the word—we can and will help. Should you need copies of sworn affidavits in the case in the United States court, we get them for you. Wire if in a hurry.

Dakota people are assuring us of the great benefit your efforts and our efforts are yielding.

Let the good work continue.

Yours, very truly,

J. H. ROTH, President.  
A. N. LENT, Secretary.

Mr. McCUMBER. Mr. President, in explanation of this letter, I simply desire to state that the letter was received by me last Friday. It comes from the president of the Superior Board of Trade and seems to come as the result of official action taken by that board. I immediately wired the writer to see if it was satisfactory to have it made a part of the RECORD, and received an affirmative answer.

Mr. President, in asking that this letter go in the RECORD in connection with the statement made by the Minnesota grain and warehouse commission, introduced by the Senator from Minnesota [Mr. CLAPP] some few days ago, I do not wish to be understood as conceding that it is the important issue in the matter of grain grading and inspection. It is of minor importance as compared with the dissatisfaction which grows out of the system of weighing, grading, inspecting, and mixing.

The statement of this commission, which has been made a part of the RECORD, admits that the grades are raised in the elevators after cleaning. However, inasmuch as the grain is

docked sufficiently to allow not only for the dirt, cockle, or other foul stuff, but also to cover the expense of the cleaning, the producer claims, and I agree with him, that he should have the benefit of the grade after it is cleaned.

The commission also admits the mixing of grades for export, and attempts to justify it. But where this mixing is allowed the inclination of the mixer is to get all he possibly can of the lower grade into the compound, and when it reaches the foreign port it is not the good No. 1 or No. 2 northern which the purchaser has agreed to receive. Our consular reports are filled with complaints of this character, and our wheat is being discredited by reason of it.

It seems, Mr. President, from the statement made and reported by the commission that Mr. Crumpton, on whose testimony Judge Sanborn found that there was overage in the elevators of about 26,000,000 in about ten years in favor of the purchasers, now makes a statement or affidavit that he made some errors in his computation or estimate—that is, that there are some matters which he did not take into consideration.

The letter from the Superior Board of Trade may throw some light on the credence which should be given to this latter statement. Letters which I received from Mr. Crumpton several years ago, after he had had an opportunity to examine practically the same figures as are reported, do not harmonize with his present statement.

A joint resolution requesting an investigation of this subject is now before the Committee on Agriculture and Forestry. I am not a member of that committee and therefore unable to move it to action, but I sincerely hope that the committee will give it the attention that the gravity of the situation and its importance justify and will report the joint resolution in sufficient time to dispose of it at this session.

There seems to be a wide difference of opinion between the Minnesota board and the elevator companies on the one side and the Superior Board of Trade and Judge Sanborn's decision and the producers in my State on the other side. It involves a very important matter to our commerce; and the investigation ought to be made in justice to both sides and in justice to all claimants. Nothing but good can result from such an investigation. I hope that the Committee on Agriculture and Forestry will give all parties who are asking for the investigation that which they desire.

The VICE-PRESIDENT. The letter will be referred to the Committee on Agriculture and Forestry.

#### PETITIONS AND MEMORIALS.

Mr. PERKINS presented a joint resolution of the legislature of California, praying for a suspension of the operations of section 2324, Revised Statutes, requiring the expenditure annually of \$100 in labor and improvements upon unpatented mining claims; which was referred to the Committee on Mines and Mining, and ordered to be printed in the RECORD, as follows:

#### Senate joint resolution No. 3.

Whereas the recent conflagration which destroyed a large portion of the city and county of San Francisco has resulted in withdrawing a large amount of capital annually employed in the State of California in the prospecting for, working, and developing mines, has particularly worked a hardship upon those persons who annually contribute a large amount of money for the performance of the annual labor upon mining claims, as required by the provisions of section 2324 of the Revised Statutes of the United States:

Resolved, therefore, by the senate of the State of California and assembly jointly, That our Senators and Representatives in Congress use all honorable means to secure the passage of legislation by the present Congress, suspending the operation for the year of 1906 of that portion of the Revised Statutes of the United States, section 2324 thereof, requiring the expenditure annually of \$100 in labor and improvements upon unpatented mining claims, similar legislation having been enacted in the years 1893 and 1894: Be it therefore

Resolved, That the secretary of the Senate be, and he is hereby, directed to transmit a copy of this resolution to each of our Senators and Representatives in Congress.

ALDEN ANDERSON,  
President of the Senate.  
THOS. E. ATKINSON,  
Speaker of the Assembly.

Attest:  
C. F. CURRY, Secretary of State.

#### Senate joint resolution No. 3.

Adopted in senate June 11, A. D. 1906.

LEWIS A. HILBORN,  
Secretary of the Senate.

Adopted in assembly June 11, A. D. 1906.

CLIO LLOYD,  
Chief Clerk of the Assembly.

This resolution was received by the governor this 12th day of June, A. D. 1906.

A. B. NYE,  
Private Secretary of the Governor.

Mr. PERKINS presented a memorial of the legislature of California, remonstrating against any reduction being made in the appropriation for the maintenance of the hydrographic

branch of the Geological Survey; which was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Senate joint resolution No. 2.

Whereas the hydrographic branch of the Geological Survey has rendered conspicuous service to the people of the United States and especially of the State of California; and

Whereas any reduction in the amount of money appropriated for its maintenance would seriously cripple and reduce the efficiency of its works: Now, therefore, be it

*Resolved by the senate and assembly jointly,* That the Senators and Representatives in Congress from the State of California be, and they are hereby, urgently requested to use every honorable means to prevent any reduction in the sundry civil bill of the amount of the appropriation providing for the maintenance of the hydrographic branch of the Geological Survey. The secretary of senate is hereby directed to mail a copy of this resolution to the said Senators and Representatives.

ALDEN ANDERSON,  
President of the Senate.  
THOS. E. ATKINSON,  
Speaker of the Assembly.

Attest:

C. F. CURRY, Secretary of State.

Senate joint resolution No. 2.

Adopted in senate June 9, A. D. 1906.

LEWIS A. HILBORN,  
Secretary of the Senate.

Adopted in assembly June 11, A. D. 1906.

CLIO LLOYD,  
Chief Clerk of the Assembly.

This resolution was received by the governor this 12th day of June, A. D. 1906.

A. B. NYE,  
Private Secretary of the Governor.

Mr. GALLINGER presented a petition of 150 employees of the United States Senate, praying that the names of Curtis Washington and John Coleman, barbers in the employees' barber shop of the Senate, be placed on the skilled laborers' roll; which was referred to the Committee on Appropriations.

Mr. BURKETT presented resolutions adopted by the Nebraska Stock Growers' Association, relative to the meat-inspection provision in the agricultural appropriation bill; which were referred to the Senate conferees on the agricultural appropriation bill, and ordered to be printed in the RECORD, as follows:

We, the Nebraska Stock Growers' Association, in regular meeting assembled, recognizing the great injury and damage that has fallen upon the live-stock industry by reason of the investigation and reports of the conditions surrounding the packing-house products, and the sanitary condition of the packing houses of Chicago, and realizing that speedy action is necessary if further damage is to be averted, hereby urge our National Congress, and especially the Nebraska members thereof, to pass such legislation as will improve and strengthen Government inspection of all packing-house meat products, and that will prescribe and enforce such sanitary regulations for packing houses as will leave no room for criticism of their methods.

We, as cattle growers, recommend that the pending Beveridge bill be carefully considered and revised before being enacted into law. We, as stock growers, especially object to that provision of the bill which would levy the cost of animal and meat inspection upon the packers. Government inspection of food products is for the protection of the whole nation, and the cost should fall equally upon all who are benefited. The cost, as provided in the Beveridge bill, will eventually fall upon the live-stock growers and permits more tribute to be levied upon an industry already depressed: Therefore, be it

*Resolved,* That a copy of these resolutions be forwarded to the Senators and Representatives in Congress from Nebraska.

Mr. BURKETT presented a petition of the Nebraska Stock Growers' Association, praying for the enactment of legislation providing for the disposal of such portions of the public lands in that State as is unsuited for agricultural purposes; which was referred to the Committee on Public Lands.

Mr. NELSON presented a telegram in the nature of a petition from Thuet Brothers, live stock commission merchants, of South St. Paul, Minn., praying for the enactment of a rigid meat-inspection law; which was read, and referred to the Committee on Agriculture and Forestry, as follows:

HON. KNUTE NELSON,  
United States Senate, Washington, D. C.:

The live stock dealers and producers desire a rigid meat-inspection law. The cost to be paid by the Government. Law should be passed promptly to stop this agitation.

THUET BROTHERS,  
Live Stock Commission Merchants.

Mr. BLACKBURN presented sundry papers to accompany the bill (S. 5270) for the relief of Ellenor Gibson Whitney; which were referred to the Committee on Claims.

Mr. LONG. I present certain petitions in relation to the railroad rate bill. I ask that one of them be read and that the others be referred to the Senate conferees on the railroad rate bill.

The VICE-PRESIDENT. Without objection, the Secretary will read the petition.

The Secretary read as follows:

INDEPENDENCE, KANS., June 14, 1906.

HON. C. I. LONG,  
United States Senate, Washington, D. C.:

As a producer in the Kansas and Indian Territory fields and being vitally interested in the welfare and prosperity of those fields, I would request that the pipe-line amendment to the rate bill now before the joint conference committee be stricken out. If this is permitted to pass, it will work a great injury to the oil business in Kansas and Indian Territory and will act against the general welfare of the producer.

A. C. STICH.

The VICE-PRESIDENT. The petitions presented by the Senator from Kansas will be referred to the Senate conferees on the bill, as requested.

Mr. LONG presented memorials of A. C. Stich, John F. Overfield, George W. Finley, and H. W. Conrad, all of Independence; of C. E. Saddler, secretary of the Oil Producers' Association of Sedan; of P. H. Albright, president of the Union Oil Company, of Winfield; of H. C. Ewers & Co., of Sedan, all in the State of Kansas, and of William Johnston, of Bartlesville, Ind. T., remonstrating against the adoption of a certain amendment to the so-called "railroad rate bill" relative to pipe lines; which were referred to the Senate conferees on the railroad rate bill.

Mr. FORAKER. I have numerous similar telegrams, protesting against the provision of the railroad rate bill in regard to pipe lines. I send them to the desk and ask that they may be filed as petitions, and I would be glad if they could be referred to the conferees who now have that bill under consideration. I tried to get them there, but the august presence would not tolerate any petitions, and I did not succeed in leaving them.

The VICE-PRESIDENT. The memorials will be referred to the conferees on the part of the Senate.

Mr. TILLMAN. But not to the conference.

Mr. FORAKER. To the conferees was the request I made. I did not know what the parliamentary usage is in that respect; and I could not get beyond the doorkeeper. I suppose the conferees did not know of it.

Mr. TILLMAN. I merely want to comment upon the sarcastic allusion of the Senator from Ohio to the august presence of the conferees. As I am the only member of the conference committee on the part of the Senate whom I see present, I wish to take occasion to say that if we should add to our troubles (and we have enough of them since the bill has been sent back to conference), I think, probably, the present session of Congress might last considerably longer than we expect. We therefore have felt unwilling to take up the numerous telegrams that have been sent from the lumber interests and the pipeline interests and others. When anyone has sent us telegrams we have received them, but we have not felt willing to have arguments made, because we have arguments enough among ourselves, I assure the Senator.

Mr. FORAKER. I understood that there was some trouble of that kind in the inner chamber. I was only speaking of my experience at the door. It was the doorkeeper who would not allow me to proceed.

Mr. TILLMAN. As I said, we could not afford—at least we did not feel willing—at this stage of the proceedings to add to our misery by having long arguments made in conference, after we had listened to them four days here in the Senate.

Mr. FORAKER. I understand how it was that the conferees did not want this additional light. They have had trouble enough with what light they have.

The VICE-PRESIDENT. The memorials presented by the Senator from Ohio will be referred to the Senate conferees on the bill, as requested.

Mr. FORAKER presented memorials of L. G. Neeley, president of the Neeley Clover Company, Ohio, general manager of the Ohio Valley Oil and Gas Company, Indiana, and secretary of the Nelson Oil Company, of Kansas; of D. W. Jay, of St. Paris; of E. C. Kurtz, of St. Marys; of W. L. Russell, of Lima; of D. C. Davis, of Marietta; of William M. Melville, of Lima; of J. O. Hover, of Lima; of J. R. Longworth, of Lima; of M. M. Rose, of Marietta; of Walter B. Richie, of Lima; of W. B. Jack, manager of the National Oil Company, of Wapakoneta; of J. D. S. Neely, of Lima; of S. M. Murdock, of Lima; of W. W. Mills, of Marietta; of D. B. Torpy, of Marietta; of M. D. Shaw, of Wapakoneta; of J. B. Kerr, of Lima; of S. W. Van Cleave, of Lima; of E. J. Cable, of Lima; of Thomas Hanley, district superintendent of the Southern Oil Company, of Marietta; of R. B. Gordon, of St. Marys; George C. Best, of Marietta; of T. W. Moore, of Marietta; of A. Alderman, of Marietta; of J. E. Lowry, of Lima; of C. D. Palmer, manager of the Lorenz Oil Company, of Marietta, all in the State of Ohio; of C. C. Harris, J. L. Loney, and B. F. Tupper, of Independence, Kans., and of the Continent Oil Producers' Association, of Bartles-

ville, Ind. T., remonstrating against the adoption of a certain amendment to the so-called "railroad rate bill" relative to pipe lines; which were referred to the Senate conferees on the railroad rate bill.

#### REPORTS OF COMMITTEES.

Mr. BURNHAM, from the Committee on Claims, to whom was referred the bill (S. 188) for the relief of the legal representatives of George W. Soule, reported it with an amendment, and submitted a report thereon.

Mr. BURKETT. I am directed by the minority of the committee to submit views adverse to this claim.

The VICE-PRESIDENT. The Senator from Nebraska presents the views of the minority in connection with the bill. They will be printed, to accompany the report.

Mr. NELSON, from the Committee on the Judiciary, to whom was referred the bill (H. R. 19522) establishing regular terms of the United States circuit and district courts of the northern district of California at Eureka, Cal., reported it with an amendment.

Mr. WARREN, from the Committee on Military Affairs, to whom was referred the amendment submitted by himself on the 16th instant proposing to increase the appropriation for military posts from \$750,000 to \$973,750, intended to be proposed to the sundry civil appropriation bill, reported favorably thereon, and moved that it be referred to the Committee on Appropriations and printed; which was agreed to.

He also, from the Committee on Public Buildings and Grounds, to whom was referred the amendment submitted by himself on the 16th instant, proposing to appropriate \$15,000 for completing the approaches, subdividing and finishing the attic story, and increasing the business facilities of the public building at Cheyenne, Wyo., intended to be proposed to the sundry civil appropriation bill, reported favorably thereon, and moved that it be printed, and, with the accompanying paper, referred to the Committee on Appropriations; which was agreed to.

Mr. McCUMBER, from the Committee on Pensions, to whom were referred the following bills, reported them severally without amendment, and submitted reports thereon:

A bill (S. 6471) granting an increase of pension to Ella E. Kenney; and

A bill (H. R. 16875) granting an increase of pension to John K. Hart.

Mr. McCUMBER (for Mr. CARMACK), from the Committee on Pensions, to whom was referred the bill (H. R. 4967) granting an increase of pension to Joshua Holcomb, reported it without amendment, and submitted a report thereon.

He also (for Mr. PATTERSON), from the Committee on Pensions, to whom were referred the following bills, reported them severally without amendment, and submitted reports thereon:

A bill (H. R. 19245) granting an increase of pension to William C. Hoover; and

A bill (H. R. 14257) granting an increase of pension to Fleming H. Freeland.

Mr. McCUMBER (for Mr. BURNHAM), from the Committee on Pensions, to whom was referred the bill (H. R. 9101) granting an increase of pension to James W. Loomis, reported it without amendment, and submitted a report thereon.

He also (for Mr. BURKETT), from the Committee on Pensions, to whom was referred the bill (H. R. 10267) granting an increase of pension to David W. Farington, reported it without amendment, and submitted a report thereon.

Mr. McLAURIN, from the Committee on Claims, to whom was referred the amendment submitted by Mr. FOSTER on the 16th instant, authorizing the Secretary of the Treasury to return to the Citizens' Bank of Louisiana the money taken from that bank by the military order of June 19, 1862, intended to be proposed to the general deficiency appropriation bill, reported favorably thereon, and moved that it be referred to the Committee on Appropriations and printed; which was agreed to.

#### LICENSED OFFICERS OF VESSELS.

Mr. GALLINGER. For the Senator from Maine [Mr. FRYE] I report back favorably from the Committee on Commerce with amendments the bill (S. 6355) concerning licensed officers of vessels, and I will ask for its present consideration.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The amendments of the Committee on Commerce were, on page 1, line 10, after the words "gross tons," to insert a comma; in line 15, after the words "gross tons," to insert a comma; and on page 2, line 1, after the words "for hire," to insert a comma; so as to make the bill read:

*Be it enacted, etc.,* That section 4438 of the Revised Statutes be, and is hereby, amended to read as follows:

"Sec. 4438. The boards of local inspectors shall license and classify

the masters, chief mates, and second and third mates, if in charge of a watch, engineers, and pilots of all steam vessels, and the masters and chief mates of sail vessels of over 700 gross tons, and all other vessels of over 100 gross tons, carrying passengers for hire. It shall be unlawful to employ any person, or for any person to serve, as a master, chief mate, engineer, or pilot of any steamer or as master of any sail vessel of over 700 gross tons or of any other vessel of over 100 gross tons carrying passengers for hire, who is not licensed by the inspectors; and anyone violating this section shall be liable to a penalty of \$100 for each offense."

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### DISTRICT STREET RAILWAYS.

Mr. GALLINGER. I am directed by the Committee on the District of Columbia, to whom was referred the bill (S. 6147) authorizing changes in certain street-railway tracks within the District of Columbia, and for other purposes, to report it favorably with amendments, and I submit a report thereon. I wish to say that this bill proposes legislation which will enable the existing street-railway companies to get their tracks to the new Union Station. I understand the Senator from North Dakota [Mr. HANSBROUGH] desires to make a statement concerning the matter, but I hope, notwithstanding the stress of the business before the Senate, unanimous consent will be given that this bill be acted on at the present time. It is exceedingly important.

The Secretary read the bill.

The VICE-PRESIDENT. Is there objection to the present consideration of the bill just read? The Chair hears none, and it is before the Senate as in Committee of the Whole.

Mr. HANSBROUGH. Mr. President, this is the bill, or at least a part of the bill, which came from the Committee on the District of Columbia some three or four weeks ago and was placed on the Calendar.

Mr. PATTERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. HANSBROUGH. For a question.

Mr. PATTERSON. It is quite possible that this bill will bring on considerable argument, and I would suggest that the business which was to be taken up immediately on the conclusion of the routine business this morning be taken up and disposed of, and that we get that out of the way. I know the Senator from Pennsylvania is very anxious to have this done. I think it would be better to allow this bill to go over for the present and take it up a little later by unanimous consent, if it shall be determined to do so.

Mr. GALLINGER. I will say to the Senator that I was absent from the Chamber the latter part of Saturday, and I did not know what arrangement had been made. I have not had time to look at the RECORD. I do not wish to interfere with any arrangement that has been made for the proceedings of to-day. I am anxious to have this bill acted on, and I had hoped it would not take many minutes. But I will ask that the bill may lie over, to be taken up after the routine morning business to-morrow.

Mr. HANSBROUGH. I only wish to say that I have several amendments to offer to the bill.

The VICE-PRESIDENT. The bill will go to the Calendar. It has been read.

Mr. GALLINGER. I ask that the bill may be taken up after the routine morning business to-morrow.

Mr. NELSON. That will interfere with the arrangement which was made Saturday. We are to take up the Lake Erie and Ohio River Ship Canal bill immediately after the conclusion of the morning business.

The VICE-PRESIDENT. The request of the Senator from New Hampshire is that the bill mentioned be taken up after the routine morning business on to-morrow. Is there objection to the request? The Chair hears none.

Mr. TILLMAN. I suggest that the Senator from North Dakota should offer his amendments and have them printed, so that we can see what is proposed in the way of a change.

Mr. GALLINGER. I think that is right.

Mr. TILLMAN. It will add to the knowledge of the situation which Senators who are interested in the matter will have.

Mr. HANSBROUGH. I think that is a very good suggestion. In compliance with the request of the Senator from South Carolina, I offer the amendments, and I ask that they may be printed.

The VICE-PRESIDENT. The Senator from North Dakota proposes certain amendments, which will be printed and lie on the table.

## PROPOSED RULE AS TO CONFERENCE REPORTS.

Mr. BAILEY. Several days ago I introduced an amendment to the rules and asked that it might lie upon the table. At that time I thought probably I would have something to say about it, but it seems generally accepted as a proper amendment, and I will ask that it be taken from the table and referred to the Committee on Rules.

The VICE-PRESIDENT. The resolution submitted by the Senator from Texas on the 4th instant, relative to a proposed rule as to conference reports, will be referred to the Committee on Rules, as requested.

## FORFEITURE OF RAILROAD LANDS.

Mr. CARTER. I ask for the consideration of the bill (H. R. 15513) to declare and enforce the forfeiture provided by section 4 of the act of Congress approved March 3, 1875, entitled "An act granting to railroads the right of way through the public lands of the United States."

The VICE-PRESIDENT. The bill will be read for the information of the Senate.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Lands with amendments, on page 2, line 10, after the word "progressing," to insert the words "in good faith;" in line 12, page 2, after the word "railroad," to strike out the words "for three years after such approval;" so as to make the bill read:

*Be it enacted, etc.,* That each and every grant of right of way and station grounds heretofore made to any railroad corporation under the act of Congress approved March 3, 1875, entitled "An act granting to railroads the right of way through the public lands of the United States," where such railroad has not been constructed and the period of five years next following the location of said road, or any section thereof, has now expired, shall be, and hereby is, declared forfeited to the United States, to the extent of any portion of such located line now remaining unconstructed, and the United States hereby resumes the full title to the lands covered thereby freed and discharged from such easement, and the forfeiture hereby declared shall, without need of further assurance or conveyance, inure to the benefit of any owner or owners of land heretofore conveyed by the United States subject to any such grant of right of way or station grounds: *Provided,* That in any case under this act where construction of the railroad is progressing in good faith at the date of the approval of this act the forfeiture declared in this act shall not take effect as to such line of railroad.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. CLAPP. I ask unanimous consent for the present consideration of the bill (S. 6255) to amend section 4 of an act entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," approved April 26, 1906.

Mr. BURROWS. I wish to inquire if the morning business has been concluded?

The VICE-PRESIDENT. It has not been concluded.

Mr. BURROWS. Let us have the regular order.

The VICE-PRESIDENT. Reports of committees are still in order.

Mr. KNOX. I rose to inquire if the morning business has been closed?

The VICE-PRESIDENT. It has not been concluded.

## BRANCH LIBRARY IN TAKOMA PARK.

Mr. GALLINGER. I am directed by the Committee on the District of Columbia, to whom was referred the bill (S. 6406) to authorize the Commissioners of the District of Columbia to accept donations of money and land for the establishment of a branch library in the District of Columbia, to establish a commission to supervise the erection of a branch library building in said District, and to provide for the suitable maintenance of said branch, to report it favorably with amendments, and I ask for its present consideration. It will take but a moment to pass it, and I hope consent will be given.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The amendments of the Committee on the District of Columbia were, on page 2, line 4, before the name "Andrew Carnegie," to strike out "Mr.;" and in line 5, after the word "Carnegie," to strike out the words "on the conditions aforesaid;" so as to make the bill read:

*Be it enacted, etc.,* That the Commissioners of the District of Columbia be, and they are hereby, authorized to accept from Andrew Carnegie a donation not exceeding \$30,000 for the purpose of erecting a suitable branch library building in Takoma Park, subject to the approval of the Commissioners and the public library trustees, and to

accept conveyance of unencumbered land considered suitable by the said Commissioners and library trustees as a site for a branch library for Takoma Park. And authority is hereby conferred upon a commission, to consist of the Commissioners of the District of Columbia, the chairman of the committee on branch libraries of the library trustees, and the librarian of the Washington public library, to supervise the erection of said branch library building: *Provided,* That such branch library building shall not be opened for public use until Congress shall hereafter provide for the necessary expenses of maintaining said branch library when the same shall be completed and ready for such use.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. GALLINGER. I move that the preamble be stricken out.

The motion was agreed to.

## HAROLD L. JACKSON.

Mr. BULKELEY. I am directed by the Committee on Military Affairs, to whom was referred the bill (S. 4965) authorizing the appointment of Harold L. Jackson, a captain on the retired list of the Army, as a major on the retired list of the Army, to report it favorably without amendment, and I ask unanimous consent for its present consideration.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It authorizes the President, with the advice and consent of the Senate, to appoint Harold L. Jackson, now a captain on the retired list of the Army, to be a major on the retired list of the Army, with the rank and pay of that office.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

## BILLS INTRODUCED.

Mr. TALIAFERRO (by request) introduced a bill (S. 6482) for the relief of William A. Chisolm; which was read twice by its title, and referred to the Committee on Claims.

Mr. SPOONER introduced a bill (S. 6483) to amend an act entitled "An act to legalize and establish a pontoon railway bridge across the Mississippi River at Prairie du Chien, and to authorize the construction of a similar bridge at or near Clinton, Iowa; which was read twice by its title, and referred to the Committee on Commerce.

Mr. HANSBROUGH introduced a joint resolution (S. R. 67) limiting the gratuitous distribution of the "Rules and Specifications for Grading Lumber Adopted by the Various Lumber Manufacturing Associations of the United States" to the Senate, the House of Representatives, and the Department of Agriculture; which was read twice by its title, and, with the accompanying papers, referred to the Committee on Printing.

## AMENDMENTS TO BILLS.

Mr. DUBOIS submitted an amendment intended to be proposed by him to the bill (S. 6147) authorizing changes in certain street-railway tracks within the District of Columbia, and for other purposes; which was ordered to lie on the table and be printed.

Mr. WHYTE submitted an amendment proposing to increase the appropriation for field expenses in the Coast and Geodetic Survey from \$70,000 to \$85,000, etc., intended to be proposed by him to the sundry civil appropriation bill; which was referred to the Committee on Appropriations, and ordered to be printed.

## HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles, and referred to the Committee on Commerce:

H. R. 19519. An act to extend the privileges of the seventh section of the act approved June 10, 1880, to the support of Superior, Wis.; and

H. R. 19854. An act to authorize the board of supervisors of Sunflower County, Miss., to construct a bridge across Sunflower River.

H. R. 19844. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

## PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. B. F. BARNES, one of his secretaries, announced that the President had approved and signed the following acts:

On June 14:

S. 267. An act to prohibit aliens from fishing in the waters of Alaska;

S. 5357. An act permitting the building of a dam across the Mississippi River above the village of Monticello, Wright County, Minn.;

S. 663. An act granting a pension to Joseph Ellmore;

S. 722. An act granting a pension to Annis Bailey;

S. 2008. An act granting a pension to Virginia A. McKnight;

S. 2852. An act granting a pension to Bridget Manahan;

S. 6. An act granting an increase of pension to Ella N. Harvey;

S. 20. An act granting an increase of pension to Edward Higgins;

S. 215. An act granting an increase of pension to Elias Phelps;

S. 225. An act granting an increase of pension to Thomas R. Smith;

S. 453. An act granting an increase of pension to George K. Green;

S. 586. An act granting an increase of pension to Corydon W. Sanborn;

S. 608. An act granting an increase of pension to John C. Rassbach;

S. 764. An act granting an increase of pension to Robert Carney;

S. 911. An act granting an increase of pension to Julius A. Davis;

S. 1174. An act granting an increase of pension to Edwin Morgan;

S. 1224. An act granting an increase of pension to William A. Bowles;

S. 1256. An act granting an increase of pension to Lewis D. Moore;

S. 1264. An act granting an increase of pension to Joseph Shiley;

S. 1428. An act granting an increase of pension to Daniel Lamprey;

S. 1443. An act granting an increase of pension to Hiram C. Clark;

S. 1570. An act granting an increase of pension to Lydia A. Johnson;

S. 1664. An act granting an increase of pension to Elizabeth L. W. Bailey;

S. 1849. An act granting an increase of pension to David T. Pettie;

S. 1855. An act granting an increase of pension to James J. Brown;

S. 1865. An act granting an increase of pension to Solomon H. Baker;

S. 2032. An act granting an increase of pension to Thomas F. Stevens;

S. 2179. An act granting an increase of pension to G. Annie Gregg;

S. 2429. An act granting an increase of pension to James Devor;

S. 2619. An act granting an increase of pension to William H. Willie;

S. 2728. An act granting an increase of pension to Louisa Carr; and

S. 2791. An act granting an increase of pension to John Lindt.

#### PROPOSED INVESTIGATION OF NATIONAL BANKS.

The VICE-PRESIDENT. If there are no concurrent resolutions, the morning business is closed, and—

Mr. TILLMAN. Mr. President, I desire to call the attention of the Senate to some matters connected with the resolution which I offered some time ago, which is now pending before the Committee on Finance, and with the permission of the Senate I will ask to have the resolution I submitted on April 16 read again, in order to make some statements in regard thereto.

The VICE-PRESIDENT. The Chair would suggest that the morning business is closed, and under the unanimous-consent agreement made on Saturday—

Mr. TILLMAN. The Chair had not announced that the morning business was closed when I rose and addressed the Chair.

The VICE-PRESIDENT. The Chair had announced it, but the Senator evidently did not hear it. Without objection—

Mr. TILLMAN. Then, I addressed the Chair as he made the announcement.

The VICE-PRESIDENT. Is there objection to the request of the Senator from South Carolina?

Mr. NELSON. This is not strictly morning business. While I dislike to object to the Senator, I am very anxious to have the ship-canal bill disposed of, inasmuch as the Senator from Pennsylvania [Mr. Knox] is obliged to leave the city to-morrow and can only be here to-day. I trust the Senator will let the resolution go over.

Mr. TILLMAN. I can not let it go over, for the reason that

to-morrow the Committee on Finance will consider the resolution referred to it, and I wanted to lay before the Senate some facts in regard to this situation.

Of course, the Senator understands that if he gets the bill up I can then speak on the resolution that I want to discuss in the time that is devoted to the bill which will be under consideration. I do not think anything will be gained by trying to shut me off. I do not want to be cross or at all obstructive, but I have something to say and I submit that unless I am ruled out of order I should like to have the resolution read and to make a few observations upon it—not very long.

The VICE-PRESIDENT. The Senator from South Carolina requests the reading of the resolution. Is there objection?

There being no objection, the Secretary read the resolution submitted by Mr. TILLMAN April 16, 1906, as follows:

*Resolved*, That the Committee on Finance be directed to inquire whether or not the national banks have made contributions in aid of political committees, and if so to what extent and why the facts have not been discovered by the Comptroller of the Currency; and whether or not such contributions have been embezzlements, abstractions, or willful misapplications of the funds of the banks which call for restitutions and criminal prosecutions. Said committee is also directed to inquire whether or not the national banks of Chicago have recently engaged in transactions beyond their lawful powers in connection with the recent failure of a bank in that city, and whether such failure involved illegalities and crimes; and also to inquire whether the national banks in Ohio have been in the habit of paying large sums of money in a secret and illicit manner to the county treasurers of Ohio as a compensation to said treasurers for making deposits of public money with such banks; and to report the facts to the Senate and the opinion of the committee whether any legal proceedings should be instituted on account of the transactions disclosed; and whether the public interest requires any amendments of the existing national banking laws.

Mr. TILLMAN. Mr. President, I do not see the chairman of the Committee on Finance in the Chamber.

Mr. HALE. He was called out for a moment. He will be here very soon.

Mr. TILLMAN. I presume he can read what little I have to say in the RECORD.

The other day when I brought this matter up the Senator waved aside, so to speak, the part of the resolution which deals with contributions to campaign committees as having been disposed of by the Senate by the passage of Senate bill 4563. That bill prohibits contributions by national banks or any corporations organized by authority of Congress to campaign committees and provides for punishing them. But the House of Representatives has not taken up Senate bill 4563, and I seriously doubt whether it will be considered by that body during this session, if at all.

I am pretty sure that the national banks and other corporations which have been the main sources of campaign contributions to the Republican national committee will not be hampered, if it can help it, by the House passing the Senate bill, at least not until after the next election.

It is for the purpose of directing the attention of the country to this great abuse, this crime, so to speak, that I mention this part of the resolution as an important one which needs investigation, even though the House should pass Senate bill 4563, and for this reason, Mr. President: The contributions which are acknowledged to have been made by national banks to campaign committees are clearly unlawful—

Mr. FORAKER rose.

Mr. TILLMAN. I will yield to the Senator in a moment.

It is acknowledged that they have made such contributions, and I offered to produce proofs that in Pittsburg in 1896 they did make such contributions. It is with a view to providing data on which the Attorney-General may institute suit against the directors and other officers who have misapplied national-bank funds and have them make restitution that I want the investigation.

It is, as I said, problematical whether the House will consider this bill at this session or whether it will ever pass. Therefore I want to direct the attention of the Senate and of the country to the fact that there is a bill of this character pending, which ought to receive attention, and which should become a law as soon as possible. At least, that is our judgment. It passed here unanimously. I hardly expect that the Committee on Finance, when it comes to consider this resolution, will be willing to make any move in the line of ascertaining the facts, or to compel restitution, or to punish these offenders. I imagine that that committee will probably, if it does anything, confine itself to a partial investigation of the other branches of the resolution, and leave the past sins of national banks and their directors with immunity: that they will dip them in the "immunity bath," or leave them in the "immunity bath," without bringing out the facts. It is not with the view to do more than call attention to this bill and its importance so as to possibly excite public attention to act on the House of Representatives that I allude to that feature of this resolution.

But there is another feature of this resolution, Mr. President, that, in my judgment, is very important. Three or four days ago, some time in the past week, the Committee on Finance reported House bill 8973, "to amend section 5200, Revised Statutes of the United States, relating to national banks," in which it was provided:

SEC. 5200. The total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such associations, actually paid in and unimpaired and one-tenth part of its unimpaired surplus fund.

The Senate Committee on Finance reported to strike out the proviso which declared:

*Provided, however,* That the total of such liabilities shall in no event exceed 20 per cent of the capital stock of the association.

And a provision was inserted increasing the percentage to 30. I understand the House of Representatives has accepted that Senate amendment, and that the bill will soon become a law.

Mr. President, this is probably a valuable piece of legislation, and one which will, in most cases, be beneficial; but I call the attention of the Senator from Rhode Island [Mr. ALDRICH]—who is now in the Chamber, I am glad to see—to the fact that under existing law and under the bill which the Senate passed, and which will soon be enacted into law, and which I have just read, there is no provision by which the disobedience of this inhibition is punishable; in other words, while Congress in the past has provided that no national bank shall loan more than 10 per cent of its capital stock to any one individual or corporation, and the other House has recently amended it so as to provide that it shall loan no more than 10 per cent of its capital stock and one-tenth of its surplus funds, that has been increased by the Senate to 30 per cent of the capital stock of the association. It would seem—and I am sorry that it did not occur to me at the time to suggest this to the chairman of the Committee on Finance—that this would be a proper place to put in a provision which would make it a misdemeanor, punishable by fine and imprisonment, for any officer of a bank, or a director in charge of its affairs, to disobey this provision.

What is the existing statute in regard to the disobedience of that 10 per cent prohibition as originally enacted? Simply that the bank shall be liable to liquidation and the forfeiture of its charter; that is all. It does not matter how much or in how great a degree this provision of law is transgressed; the only thing that is now provided in the way of punishment for this transgression is simply that the bank shall forfeit its charter and be closed out of business; but so far as I know, if this has ever been done, I have not heard of it. The Senator from Rhode Island perhaps can inform me whether any bank has ever been liquidated and its charter forfeited because of its transgressions.

Mr. ALDRICH. I know of no case in which that has been done.

Mr. TILLMAN. And I have not heard of any.

Mr. ALDRICH. Nor do I know of any case in which it has been necessary.

Mr. TILLMAN. Well, I only call attention to the fact that if this had been thought necessary by the Comptroller of the Currency when he discovered it, and if there were a provision of law which would punish the officers of the bank for not obeying it, we would probably have practically no story to tell of the absolute embezzlement of the entire assets and capital stock and everything else of various banks that have failed in the United States.

I recall that in the case of the Maverick Bank, at Boston, in 1892, the officers of that bank had practically loaned to themselves under one subterfuge and another the entire assets, deposits, and everything else, I believe, that they had, and that bank was liquidated as insolvent. I do not know that anybody connected with it has ever been punished, although there was an investigation to find out the facts in that case; but I do know that in the report, which was framed by the Senate Finance Committee, two members of which were John G. Carlisle and Calvin S. Brice, the facts were brought out that this bank had been wrecked by this very failure of the Comptroller of the Currency to watch, through his examiners, and see that this provision prohibiting the loaning of more than 10 per cent to any one individual was carried out. This leads me up to the balance of this resolution in connection with the Chicago banks.

Mr. President, the committee, as I said, I suppose will investigate the situation in regard to the Chicago National Bank and the other transactions by the Clearing House Association of Chicago in connection therewith. I take it for granted, in accordance with the long-continued practice of the office of the Comptroller of the Currency, that we shall have from that office a report that will practically say "nothing criminal has been done; there is nothing blamable; everything is justifiable, and

eminently proper; in fact, the clearing house was doing a great act of financiering, saving a panic," and all that kind of thing. I do not know what the Comptroller will say, but I want to bring out some facts in connection with that failure that will show what the Comptroller ought to say and will show what the Comptroller ought to have done long ago.

For instance, some days ago—perhaps the day after I brought this matter up in the Senate last week—a statement was made by the Senator from Illinois [Mr. HOPKINS] that every depositor had been paid; and I believe he stated—if I am not correct he will correct me—that every stockholder would be paid in time. The day after that, two of the Members of the House of Representatives, who are members of the Committee on Banking and Currency, came to my committee room with a copy of testimony taken before that committee in May in relation to this bank failure; the evidence being that of Mr. W. T. Fenton, president of the National Bank of the Republic, and a delegate from the Chicago Clearing House. I ask that the Secretary read it, in order that we may know just what has been done in Chicago.

The VICE-PRESIDENT. Is there objection to the request made by the Senator from South Carolina? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

Extracts from statement made before House Committee on Banking and Currency on Wednesday, May 25, 1906, by W. T. Fenton, president of the National Bank of the Republic, Chicago, Ill., and delegate from the Chicago Clearing House.

The banks of Chicago were called together on a Sunday; the members of the clearing house stayed up all night Sunday night; they found the Chicago National Bank was hopelessly insolvent. Not a member of the clearing house suspected that there was anything wrong with it.

Mr. WEEKS. Was it insolvent?

Mr. FENTON. Yes. The members of the Chicago Clearing House, after sitting up all night to avert what they thought would be a calamity, assumed the obligations of that bank and took the bank's assets. The immediate cause of the failure of that concern was overloans to concerns in which the president of the bank was interested. Correspondence was shown at that meeting of the clearing house running back over a period of three years—and I am not saying this to cast reflections on the Comptroller's department or on any of the examiners or officials—but here are the facts, that three years before that bank closed the Comptroller's department knew that the president of the institution had loaned \$5,000,000 to a concern in which he was interested; and by the night we took over the assets he had used \$15,000,000 of the assets of that bank. And here is one of the results of the familiarity with the violation of this law. It had been done so long, and had been overlooked and temporized with until it grew and grew, and finally absorbed the entire institution; and we were called upon, in order to maintain the financial integrity of our city, to liquidate that institution, and take its assets and assume its debts.

Mr. TILLMAN. Mr. President, we have here the testimony of a member of the clearing house and the president of one of the great banks of Chicago, that the Comptroller of the Currency knew long ago that Mr. Walsh had loaned to himself practically, certainly to a railroad of which he was the chief owner and the controller, \$5,000,000, and yet nothing was done about it.

Mr. ALDRICH. I am sure the Senator does not want to make that statement.

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. TILLMAN. Certainly.

Mr. ALDRICH. I think, upon reflection, the Senator will not say that the Comptroller of the Currency knew that a national bank had loaned to one man \$5,000,000, and that no action was taken.

Mr. TILLMAN. I say no actual results followed any action under the law as it now stands. The only thing he could have done would have been to notify the president and directors: "The statute provides that you shall not loan but 10 per cent; you must have this thing stopped. Collect that money, and get yourselves straight."

Mr. ALDRICH. The transactions of Mr. Walsh in connection with the national banks of Chicago and the facts in relation to that matter, have been reported by the Comptroller to the Department of Justice for its action, and the transactions are now in the courts. That has been well understood.

Mr. TILLMAN. Mr. President, the transactions of Mr. Walsh in regard to the Bank of Chicago are criminal in some phases and in others they are possibly mere transgressions which are not punishable by law, except by declaring that the bank must be liquidated and closed up and cease business as a bank, as I have already pointed out.

I will read to the Senator from Rhode Island section 5230 of the Revised Statutes—with which, of course, he is very familiar—showing that some things have been done that are unlawful and that are punishable by the courts:

If the directors of any national banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of

the association to violate, any of the provisions of this title, all the rights, privileges, and franchises of the association shall be thereby forfeited.

Now, does the Senator pretend to say that the forfeiture of the charter of that bank is not declared as soon as the Comptroller finds out that the president of the bank has loaned himself \$5,000,000?

Mr. ALDRICH. I imagine if the loan were repaid in any way—

Mr. TILLMAN. It has not been repaid, but it has been added to by \$10,000,000 more. So that, according to the testimony which has been produced by Mr. Fenton before the House Committee on Banking and Currency, Mr. Walsh not only loaned himself \$5,000,000 three years ago—and no steps were taken by the Comptroller of Currency to forfeit the charter of his bank, as was required by law—by Mr. Walsh went on and loaned himself \$10,000,000 more, making \$15,000,000 in all—in fact, clearing the bank out, making it absolutely insolvent, and causing the destruction of all its assets, so to speak.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. TILLMAN. Certainly.

Mr. ALDRICH. I do not know whether or not the Senator from South Carolina is engaged in the trial of this case, but surely he is pronouncing judgment.

Mr. TILLMAN. The Senator from South Carolina is not engaged in the trial of this case. The Senator from South Carolina is trying to get the Committee on Finance to act or to appoint a subcommittee to bring out the facts. That is all the Senator from South Carolina is trying to do, and I do not think it is justifiable for the Committee on Finance, or its chairman, to pooh-pooh the transaction and to say that no harm has been done; that no law has been violated, and that everything is sweet and wholesome, when I can prove, as I will before I get through, that Mr. Walsh has in several instances violated the criminal law and wherein the entire clearing-house association of Chicago has also violated the statute.

Mr. ALDRICH. I have stated already that the transactions of Mr. Walsh, whatever they were, are now before the courts of the United States, referred there by the Department of Justice at the instance of the Comptroller of the Currency; and I assume that neither the Senate nor the Senator from South Carolina will enter here on a discussion of a matter which is now being examined into by the courts of the country.

Mr. TILLMAN. Let me read the remainder of section 5239, and perhaps the Senator from Rhode Island will see it in a different light:

Such violation—

The violation I have just spoken of—

Such violation shall, however, be determined and adjudged by a proper circuit, district, or Territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the association shall be declared dissolved. And in cases of such violation every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation.

Is the Senator from Rhode Island prepared to say that the Comptroller of the Currency has brought the suit in his own name, as the law provides and compels him to do?

Mr. ALDRICH. Mr. President, it is fair to presume that the Comptroller of the Currency has discharged his duty—

Mr. TILLMAN. Of course.

Mr. ALDRICH. In the premises, whatever it may be. I should be very unwilling to believe that the present Comptroller of the Currency has not fully done his duty.

Mr. TILLMAN. But suppose the Senator should appoint a committee to investigate and they should find out that, unfortunately, following the bad precedent that has been established and has been going on for twenty years and possibly thirty years, he has not done so, then what?

Mr. ALDRICH. If the Senator from South Carolina will state definitely that the Comptroller of the Currency has violated his duty, has violated the statute, and has been guilty of malfeasance in office, I have no doubt the Senate will appoint a committee to examine into the facts of the matter. I do not understand that up to this time the Senator has made any such statement or made any such charge.

Mr. TILLMAN. Mr. President, I will give the Senator some more facts, then, in relation to the Walsh failure, so that he can have all the light he wants, or, at least, he will have enough light to probably induce him, either by a subcommittee or the whole Committee on Finance, to take the matter up, investigate it, and report to the Senate just what the committee finds. I read from a prepared statement sent to me, which I

received in the mail this morning, and which goes more into detail as to just what has occurred and what the situation is:

CHICAGO, June 16, 1906.

Senator BENJAMIN R. TILLMAN,  
Washington, D. C.

DEAR SIR: My knowledge of the Walsh banks is derived from the public press and verified by some of my acquaintances in the banks.

The details of the transaction are jealously guarded by the clearing-house committee, but should be fully known by the Comptroller of the Currency, and if there is anything at all in the Federal inspection of national banks these facts ought to be easily obtainable in Washington. To quote from a long statement in the Chicago Tribune of March 3, 1906, which I herewith inclose, with the request that you return it, the capital of Walsh's banks was, Chicago National, \$1,000,000; Home Savings, \$100,000 (from Chicago Securities, 1905); Equitable Trust, \$500,000, making a total capital of the three banks of \$1,600,000. The deposits of the Chicago National were about \$20,000,000; of the Home Savings, \$4,000,000, and of the Equitable Trust, \$2,000,000, making total deposits of \$26,000,000.

Both the State law and the Federal law provide that no bank shall lend over 10 per cent of its capital to any one borrower. According to this report there was loaned by Walsh to Walsh \$15,000,000, or 800 per cent of the capital of the combined banks. These loans were ingeniously handled, so as, if possible, to avoid liability. The banks carried a vast amount of bonds of his railroads, coal mines, and stone quarries, and in some cases an amount stated to be \$2,000,000 was loaned on notes signed by the names but not with the signatures of people who either were ignorant of their names being used or, at any rate, had no interest in the transaction.

I will state here that in the Maverick Bank failure I find that this same process was followed and that the names of bell boys and other underlings about the bank were signed to notes. Of course the Committee on Finance can discover whether this man's statements are true or not.

Bonds were put up as collateral for these loans. It is for the legal authorities to determine the legal aspects of this signing of other men's names.

It was contended by Secretary Shaw, as quoted in the Chicago press, and not denied by him, that Walsh, in this system of finance, did nothing beyond what most banks do in making excess loans, for which, as I understand, there is no criminal liability, although directors may be held personally liable should loss accrue on such excess loans. But the difference in degree is so great as to make a difference in kind.

Now, as to the present status of the situation. The banks, having stepped in and having taken the assets of the Walsh institutions, paid off the Walsh depositors as they agreed to do, and thereby released the stockholders of the Walsh banks from the stockholders' liability. Certain of the directors of the Walsh banks put up security said to amount to \$4,700,000, but probably more nearly worth \$3,000,000, to be used by the banks to make up any deficiency that might result.

The banks do not own all of the bonds of the Chicago Southern and Southern Indiana railways, certain of these bonds having been sold prior to the commercial earthquake. The stock of the two roads is trusted in the hands of a lawyer friendly to Walsh, named A. W. Green. There having been no default on interest up to date, there are no foreclosure proceedings, no receiver, and it rests with Messrs. Walsh and Green to name the price at which the railroads can be sold. Should these railroads bring a price of \$22,000,000, it is believed that these obligations to the banks would be canceled, principal and interest, without recourse to the deficiency guaranty fund. Anything less than this would use up the deficiency fund as well as the capital stock of the banks. I am informed that no bid has yet been made for these roads.

The construction of the two southern roads is of an excellent character, but they are unfortunate in not being joined together to make a through route. It is not to the interest of rival roads to buy these roads and link them together. Therefore it is hard to market them in their incomplete state. It is estimated that it will take \$2,000,000 to complete the system, when the line would at once have a much greater value. It can not be stated that Mr. Walsh was guilty of bad judgment in locating these roads which may and probably will eventually, by the use of considerable money, be an asset of great value—whether of sufficient value to pay off all indebtedness or not I have no means of knowing. This, however, is not a point at issue, except as affecting the judgment of the Chicago banks in going to the rescue of the situation.

I would not for a moment criticize the fine public spirit as well as the realization of the necessity for self-preservation shown by the bankers in that crisis. For, in spite of the political reputation of Walsh and his reputation as a citizen, he had in the panic of 1893 shown himself a conservative banker, and the Chicago National Bank was regarded as eminently sound, although criticised for the large proportion of public funds in its deposits. Had the other banks allowed him to collapse, there would have been a bank panic in Chicago of the most severe type, and to avert this was worth a large sacrifice.

After realizing on what assets could be turned into cash, including the bank building, there is still due to the Chicago banks from the Walsh aggregation between \$11,000,000 and \$12,000,000. This is being carried by the State and national banks of Chicago, having an aggregate capital of \$40,000,000, and is prorated among them on the basis of their capital, so that at the present time more than 25 per cent of the bank capital of Chicago (excepting a few minor institutions) is tied up by this Walsh failure.

I noticed the statement of Senator HOPKINS that the stockholders of the Walsh banks would receive par for their stock. There being no market for this stock, it is impossible to determine its value, but the surplus funds of the three banks were wiped out, to the detriment of the stockholders, and there seems no probability of the stock paying out much of anything. These surplus funds, according to published statements in a reliable publication, known as "Chicago Securities," for 1905, amounted to about \$2,000,000, as follows:

|   |                |
|---|----------------|
| Chicago National surplus and undivided profits  | \$1,402,444.23 |
| Equitable Trust surplus and undivided profits   | 446,317.33     |
| Home Savings Bank surplus and undivided profits | 149,618.11     |
| Total   | 1,998,379.67   |

It would seem to me, whether or not any legal crime had been committed, that his stockholders had been abominably dealt with.

Although not having access to the data held by the clearing-house committee, which committee is unquestionably doing all in its power to alleviate the situation and pull through with the minimum of loss, I feel sure, from talks with a number of bankers, that they would be extremely glad to accept a loss of from 5 to 10 per cent and be rid of the mess.

Had Walsh succeeded in his plans and made a profit, that profit would have been his and would not have redounded to the benefit of either his depositors or his stockholders. As he failed, it was merely incidental that the other banks saved his depositors. His stockholders certainly lost. This was a colossal game of "heads I win, tails you lose," and if Senator HOPKINS is correctly quoted as stating that it was to the credit of Mr. Walsh's bank that the depositors were paid he is overlooking the fact that they were paid by others in the face of Mr. Walsh's delinquency.

How this cumulative, long-drawn-out financial scheme, which, whether criminal or not, was opposed to every principle of fairness and responsible finance, so long escaped the scrutiny of the Federal Government it is difficult to understand. It may be that Walsh has evaded all criminal statutes, but to an outsider it would look as though there must have been either collusion with bank examiners or some strange book-keeping. The signing of names of others to dummy notes has a painful resemblance to an offense recognized by law. The loaning to himself, through various subterfuges, of such a vast sum of other people's money does not create a pleasant impression, and whether or not he properly exercised his trust to his stockholders brings up another set of questions.

The average embezzler takes his employer's money to gamble or speculate with it. If he wins, the employer gets it back; if he loses, the employer takes the loss. Is a bank president an employee of his stockholders?

The statements above made are as nearly correct as can be given without access to the data of the clearing house. They have been published and reiterated in the Chicago papers without denial.

Should there be any denial made, a Senate committee, properly authorized to subpoena witnesses, could obtain these facts and many more.

Yours, truly,

WILLIAM KENT.

Mr. William Kent is a director in one of the State banks. That is all I know about him. But when he gives his name and writes a statement of facts, such as I have read to the Senate, it stands to reason that it is the duty of the Finance Committee to first call on the Comptroller's department to find out how much of this statement is true and how much is false, or about how much he does not know anything; and, secondly, to consider very seriously, I hope, whether or not the question of the liability of the directors and of Mr. Walsh should be left entirely to the discretion of the Department of Justice and nothing be done toward liquidating the Chicago bank.

Now, there is another statement which I have somewhere—I do not recollect where it is; I think perhaps it is in one of the papers—with respect to Mr. Walsh the night after the collapse, when the Clearing House Association sat up all night examining into the condition, and, in order to avert a panic, decided that they would take the bonds of these railroads and pay the depositors and prevent a panic, thereby doing a great public act of beneficence and possibly saving themselves from disaster, because if confidence was once lost and the banks, with their enormous deposits, were called on by the depositors to pay up, they would not have been able to do it. Therefore they would have had a very disastrous condition in financial circles in Chicago. But without presuming to criticize the first action of the Clearing House Association, this remarkable fact can be learned, I think—in fact, Mr. Kent states it: That Mr. Walsh was not called on by the banks at all to deliver the stock of the railroads, but only the bonds. I presume they thought the stock was worthless, but it turns out that Mr. Walsh has absolute control of the situation, from the fact that as long as he pays the interest on the bonds which the banks have taken or bought, or which they had to take to prevent a panic, the banks can not liquidate this "mess," as it is termed, and can not get themselves straight, and can not get back their 25 per cent of capital stock thus loaned to one concern contrary to law and use it in their legitimate business of banking; and Mr. Walsh is talking about going to Europe, the papers say. He feels so safe in his sharp manipulation and management of this collapse of his banking institution and possibly of the wreck of his railroads, and so little uneasy in regard to the action of the district attorney, that he wants to go off for the summer to recoup his health, I suppose, and enjoy himself.

The question is, Why does not the district attorney press this matter to the attention of the grand jury? Why is Mr. Walsh, a one-time millionaire, any different from any other man who has broken the law? Why can not the courts be called upon to determine once for all just what Mr. Walsh has done that is unlawful, and if he has transgressed any of the criminal statutes let the jury determine it, and let the law take its course toward punishing him? If he has forged names, that certainly is a crime. And then there is the transgression of lending more than five millions three years ago, and then, finally, fifteen millions, all to himself or to his railroads; and the national banks, not knowing of this situation, were called on suddenly to face

a crisis and probably did the best they could. I am not criticizing them.

But I desire to call the attention of the Senator from Rhode Island to section 5136 of the Revised Statutes as showing what is regarded by the law as legitimate banking:

Seventh. To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this title.

Mr. President, I desire to make two points in regard to the illegality and lawlessness of this Chicago bank muddle, and in order to put them in the form of a syllogism based on the facts I have tried to bring out, and which I think the committee would very soon find to be absolutely correct, I will state them in this way:

1. A national bank in a city may join two State banks, the three being authorized to do a banking business only, and they may invest \$10,000,000—more than all their capital and surplus—in securities of two or three railroad companies; and may become utterly insolvent; and this kind of national banking can not be held to be illegal, and nobody can be criminally punished for what has been done.

That is one logical proposition which I hope the Senator from Rhode Island will consider in connection with the suggestion I made, whether the banking laws should not be amended by providing a personal punishment of imprisonment for disobedience to this provision prohibiting the loan of more than 10 per cent of its capital to any one concern, and now under the new provision which was passed here two or three days ago, more than 30 per cent.

The next syllogism has to deal with the clearing-house situation:

2. The national and other banks of the same city, having a capital of \$40,000,000, and authorized to do a banking business only, may jointly purchase the ten millions of dead assets of the three insolvent banks, making 25 per cent of their capital thus invested; and this kind of national banking is not illegal; and the Comptroller of the Currency says it is in the highest degree praiseworthy.

I take it for granted the Comptroller will so state, because, as I said, it is the custom of the Comptroller's Department to minimize and pooh-pooh any transgression or appearance of "wild-cat banking" that the national banks may engage in, and to leave them largely alone until the conditions grow so desperate that he must step forward, when it is too late.

I do not care to say anything more, Mr. President. It seems to me that this is eminently a case for investigation by the Committee on Finance, with a view to ascertaining whether the facts I have brought out as coming from Mr. Fenton, through the Committee on Banking and Currency in the House, and the statement of Mr. Kent, and the statements which have been taken largely from the Chicago papers and not denied, are correct, and if so, that the committee should authorize a subcommittee to take up the matter during the recess of Congress or as soon as practicable and ascertain all the facts and report what is necessary to prevent other transactions of this character, and to punish those who have broken the law.

Mr. HOPKINS. Mr. President, the statement made by the Senator from South Carolina [Mr. TILLMAN] illustrates as perfectly as it ever has come under my observation the saying of the old English poet:

A little learning is a dangerous thing;  
Drink deep, or taste not the Pierian spring.

I am sure if the Senator from South Carolina, instead of being misled by the statement of Billy Kent and some newspaper statements that are equally irresponsible, had gone to leading citizens like Mr. Eckels, who was once Comptroller of the Currency and one of the great leaders of the party to which the Senator belongs; or to Mr. Forgan, of the First National Bank of Chicago, who is also a member of the Senator's political organization; or to Mr. Dawes, who was once Comptroller of the Currency, and is now at the head of a great State bank; or to Mr. Orson B. Smith, one of the best known financiers of the country, either East or West, he never would have indulged in this tirade against the clearing-house banks which have taken in charge the assets of the Chicago National Bank. I say he would not, unless he has a disposition to misrepresent and unless he desires, regardless of the facts, to make sensational statements that will depress the value of the assets which are now held by those banks, so that by his act possibly a loss may

be made. I am not going to assume that he wishes to bring about any such result.

But if he had been entirely frank and candid and had wanted the chairman of the Finance Committee and that committee to take action in the premises, why did he not wait until to-morrow morning, when he knows that the committee will meet, and present to them the facts, if he has any, that he thinks are of a character that should be brought to their attention and upon which they could predicate action, instead of presenting them in the Senate, where they go into the press of the country from Wall street to the Pacific coast?

These actions on the part of the Senator from South Carolina, it seems to me, are the subject of just criticism. If his object is to injure the Chicago banks and exploit himself at the expense of the facts, he could not have taken a better course than he has taken here. He could not have made any statement which could have resulted in the desired result more than those he has made here. And I say to the Senator from South Carolina that he could not serve the interests of Wall street and the parties who desire to get control of the Walsh railroads and other interests better than by taking the course he has taken here this morning. They wish conditions to exist which will make it difficult for the Chicago banks to dispose of those great interests. They wish the conditions such that those properties will not bring their full value.

Now, Mr. President, if the Senator from South Carolina had waited until to-morrow, I think I am in possession of facts that warrant me in making the statement that he would have been told by the Comptroller of the Currency that the action of the Chicago banks is not in violation of any law whatever, and that instead of being the subject of censure, their acts should be commended, as they have been commended by all of the leading bankers of this country from the Atlantic to the Pacific. They have not only violated no law, Mr. President, but they have shown a degree of public spirit and patriotism which place them above any just criticism. I have named a few of these men, who are known over the entire country. They are the men from whom I have gained the facts I have presented from time to time to the Senate on this question, which has been raised repeatedly by the Senator from South Carolina.

I do not go to men like Billy Kent. I wish the Senator knew him as well as I know him. I wish he knew the financial and civic standing of Billy Kent as well as I know it. If he did, I do not believe he would have read the letter that he has read here to-day in criticism of such men as Mr. Eckels, Mr. Forgan, Mr. Smith, and Mr. Dawes, the foremost men in the second city on the continent. I do not believe that in all his zeal in the cause of reform of national banks he would take the word or the statements of this man, who admits that he is interested in no bank that belongs to the clearing house there, who admits that he has no inside knowledge, who admits that he is an entire outsider, and present them here in the Senate for the purpose of criticising the foremost citizens in the city of Chicago.

Now, as I said, if the Senator wants the facts, I will be glad to have him go to Chicago and see Mr. Eckels. The Senator knows him personally. The Senator knows that what I say of him is but the living truth. If the Senator desires to know whether any law has been violated by these banks, let him go to such an authority. If Mr. Eckels, or men of the character I have mentioned, say that any law has been violated by the clearing-house banks, it will be far from me ever to raise my voice in protest or criticism of any effort to condemn such practices.

I have spoken upon this subject only because I have known from the character of these men that they are doing a great and a mighty work in the interest of honest finance, not only in Chicago, but also in the entire country; and I regret that the Senator from South Carolina, or any other Senator, should find it incumbent upon him to rise in his place in the Senate of the United States and denounce or criticise them without knowing the facts as they exist.

There is no secret with respect to what these men are doing or have done. This whole transaction is as open as the day; and the men who inaugurated this were led by one of the greatest business men of this generation—Mr. Marshall Field. When the facts with respect to the Chicago National Bank were made known, Mr. Field joined with other great financiers in the city of Chicago for the purpose of preventing a run upon the other banks of Chicago or a crisis in the financial affairs of that city or of the country. It was under his wise suggestion that the arrangement was made which exists to-day.

Mr. President, I have it from Mr. Eckels that they have assets enough not only to pay off all the depositors of the

banks—as they have already been paid, as I understand—but to pay the book value of the stock to stockholders, and that there will be several million dollars left to go to Mr. Walsh in the end. Now, unless sensational scenes can be enacted in the Senate and other places to depress the value of these properties, the condition will be brought about as outlined to me by Mr. Eckels. Mr. John J. Mitchell, at the head of the Illinois Trust Company, a State corporation with deposits of a hundred million dollars, concurs in all these statements of Mr. Eckels, as I am informed. Where is there any point or place to criticise the action of those banks or the bankers who control them?

So far as the bank of Mr. Walsh is concerned, the statement that was read here from Mr. Fenton, president of one of the lesser banks in Chicago, is inaccurate in its language. Mr. Fenton said the bank was insolvent. He is not correct in that if he intended to convey the idea that there were not assets enough in the Walsh bank to pay all the depositors and to pay anybody who was interested in the bank, either directly or indirectly. If he means by the word "insolvent" that their assets were such that they did not have what bankers call "quick assets," so as to meet all the demands of depositors on a run on the bank, he would be correct; and that is the reason why the Chicago bankers met on this Sunday night and took over these assets and put cash enough in the bank to meet all the depositors. The Walsh bank did not have quick assets. But before the bankers put that money up they went over all the securities of the Walsh bank, and they took enough not only to make them absolutely safe, but a number of the directors put up, as shown by the letter of Mr. Kent, several million dollars of their private property, so as to "make assurance double sure" on that point.

The point of criticism where the Senator from South Carolina would be justified would be that the Chicago National Bank did loan more than 10 per cent of its capital to one person. But as has been stated by a high official, 70 per cent of the banks of the country have done that. The Senator must be familiar with the Chemical National Bank of New York, which has a capitalization of only \$300,000, while it has a surplus of more than \$7,000,000. It is an open secret that a man can go there with proper security and borrow an amount equal to the entire capitalization of the bank; and it has been done, as I have been informed. That is no criminal offense. That section of the law was passed by Congress years and years ago as a rule to guide banks. But as the banks have developed in the great commercial centers, it has been found that that provision of the law could not be successfully complied with; that the great commercial and industrial interests of the country were such as to demand from time to time more than 10 per cent of the capitalization of a bank; and hence by common custom, almost, the great banks in the commercial centers have loaned to customers whom they knew to be all right and who gave them gilt-edge securities, more than the statutory limit. Congress has come to see that that rule which was adopted years ago is not one that should be enforced against the banks to-day, and so the other day, under the leadership of the distinguished Senator from Rhode Island [Mr. ALDRICH], provision was made that 30 per cent of the capital could be loaned. If I mistake not, the Senator from South Carolina did not vote against that bill. So by that vote, if I am correct in my statement, he himself recognizes the fact that the rule of law adopted years ago is one which should not at the present time be enforced against the great banks in the commercial centers.

Now, one other word, and I am through. I am not here either to defend or to condemn Mr. Walsh. My acquaintance with him is much more limited than it is with men like Mr. Dawes, Mr. Eckels, and other Chicago bankers whom I might mention. I have known him only in a general way. My personal acquaintance has been limited to a few years. For many years he stood before the country as one of the great bankers and financial men of Chicago. It was a distinct shock to the entire community when it was learned that the assets of his bank were such that it was necessary for the bank to go into voluntary liquidation, and that is the reason why such men as Marshall Field came to the rescue and said that a man who had stood in the community as Mr. Walsh had stood should have the helping hand of the other great banks of Chicago, and that the Chicago National Bank should go into voluntary liquidation so as to save all the depositors, all the stockholders, and leave a handsome fortune to Mr. Walsh.

The Senator from South Carolina intimates in his speech that Mr. Walsh has violated some criminal law. That is a matter which I have not investigated. So I have no opinion either one way or the other upon the subject. But I will say this for Mr. Walsh: He claims that he has violated no criminal

law, and to show his good faith in the premises I will say to the Senator from South Carolina that he has thrown his bank books and checks open to the Government inspectors, and the Government, through the Department of Justice, for weeks has been going over every item in the bank books to see whether there has been any violation of the criminal law. Mr. Walsh has stood ready to meet any charge of a violation of law. If not guilty, as he insists he is not, he has asked for this investigation that he may be vindicated from the aspersions of men who, while he is now in financial straits, are attempting to ruin his character and blight his future life.

Mr. TILLMAN. Mr. President, only a word. I wish to call attention to the fact that the Senator from Illinois [Mr. HOKINS], without the slightest provocation on my part or even the mention of his name, except incidentally as having been mistaken in one of his statements, indulges in more or less harsh language in regard to my action and all that kind of thing. I will let that pass. I am not trying to get up any exploitation of myself. I do not need any advertisement. I am pretty well advertised in the United States in one way and another, and I am not endeavoring to get any additional printer's ink used in connection with my name.

But I believe there have been some criminal transactions in regard to the Walsh failure. It is very easy for Mr. Walsh to prove his innocence in court if a grand jury shall find a true bill and force him to trial, provided he is innocent. It is also very easy for the Committee on Finance to make investigation and discover whether the Comptroller of the Currency has been negligent or whether he has merely followed a series of bad precedents or whether he has done anything that ought not to have been done or left any thing undone which it was his duty to do.

I have nothing against Mr. Walsh, because I never saw him and I do not know anything about him in a general way, except that he was a Democrat once, or he pretended to be, and he afterwards swapped politics, and that always left something of a bad taste in my mouth in regard to a man. But other people swap politics, and they are not altogether criminal or reprehensible in changing their views. It is every man's right to do it, if he wants to.

I say I have no personal concern in this matter whatever, but having started in on the question of investigating national banks in regard to campaign contributions, and while that subject was under consideration and I was hunting up evidence, which I afterwards found and presented to the Senate, this Walsh failure was called to my attention, along with the transactions in Cincinnati of national banks indulging in direct and indirect bribery of county treasurers, and looking into the law a little I thought I discovered that it was not sufficiently guarded in providing that banks that indulge in wild-cat speculations, like I call this, or beneficent financiering, as the Senator from Illinois calls it—whatever you call it I do not care, we will not have any row about the description of it, but I thought the examination by a committee with the possible suggestion of a punishment clause in the law would make a bank officer hesitate and think a good while before he transgressed with impunity this provision in regard to 10 per cent. Liberalize, if you want to, and broaden and increase the amount it is lawful to lend, but in the name of common sense and respect for the law, which we demand of all the small people in this country, let us compel the millionaires also to have regard for the law and obey it. That is all there is about it. Therefore, I thought it worth while to bring to the attention of the Committee on Finance in this way these facts which have come to my attention.

The Senator calls Mr. Kent "Billy Kent;" he must be a warm friend of his or something like that. Anyway Billy Kent may be an all-round liar or he may be the right kind of a man; I do not know; but Billy Kent is backed up in some of his statements by Mr. Fenton, who is president of one of the other banks and member of the clearing house. There is undoubtedly a great deal of smoke in Chicago in regard to the Walsh failure. There is no liquidation yet of the bank's assets to determine whether the Clearing House Association has lost or will lose money. If these banks are going into railroad building now, if they are going to complete these two roads and make a through route, and all that sort of thing, what becomes of the law which specifies what banking is and what it is legitimate for national banks to do? There ought to be some regard for a law, even among national banks, and that is all I had in view. I do not want to injure the financial standing of the Chicago banks. I do not want to create any distrust of their capacity and honesty and integrity of purpose. I have not said a word that would indicate any such desire as that. I have information that this \$11,000,000, or such a matter, that they

have loaned to Walsh's concern, or which is a part of the liability to which they are subject because of their taking Walsh's assets, is not more than 5 or 6 per cent of their total loans and that everything is all right. If it is true that the law has not been obeyed, and that is all there is about it, the law ought to be changed or else they ought to have the Comptroller of the Currency liquidate the banks that disobey the law. That is all there is about it so far as I am concerned.

#### EXECUTIVE SESSION.

Mr. CULLOM. Mr. President, there are some reasons why I desire a brief executive session. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

#### ENTRY OF LANDS UNDER RECLAMATION ACT.

Mr. ANKENY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18536) providing for the subdivision of lands entered under the reclamation act, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment on page 1, line 9, striking out "ten" and inserting "twenty."

That the House recede from its disagreement to the amendments of the Senate, as follows:

Amendment on page 1, line 3, after the word "Interior," inserting "by reason of market conditions and the special fitness of the soil and climate for the growth of fruit and garden produce."

Amendment on page 1, line 4, striking out "reasonably required" and inserting "sufficient."

Amendment on page 2, line 6, after "fund," inserting "Provided, That an entryman may elect to enter under said reclamation act a lesser area than the minimum limit in any State or Territory."

On page 2, line 9, after "acquire," inserting "by relinquishment."

Amendment inserting a new section designated as section 5; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate inserting a new section designated as section 4, with an amendment as follows: Strike out all after the period following the words "Secretary of the Interior" in said amendment and insert the following: "Providing that the limitation on the size of town sites contained in the act of April sixteenth, one thousand nine hundred and six, entitled 'An act providing for the withdrawal from public entry of lands needed for town-site purposes in connection with irrigation projects under the reclamation act of June 17, 1902, and for other purposes,' shall not apply to the town sites named in this section; and whenever, in the opinion of the Secretary of the Interior, it shall be advisable for the public interest, he may withdraw and dispose of town sites in excess of one hundred and sixty acres under the provisions of the aforesaid act approved April 16, 1906, and reclamation funds shall be available for the payment of all expenses incurred in executing the provisions of this act, and the aforesaid act of April 16, 1906, and the proceeds of all sales of town sites shall be covered into the reclamation fund."

LEVI ANKENY,  
THOS. H. CARTER,  
FRED. T. DUBOIS,

*Managers on the part of the Senate.*

F. W. MONDELL,  
W. A. REEDER,  
W. R. SMITH,

*Managers on the part of the House.*

The report was agreed to.

#### LAKE ERIE AND OHIO RIVER SHIP CANAL.

Mr. NELSON. I move that the Senate proceed to the consideration of House bill 14396.

The VICE-PRESIDENT. That is the business before the Senate under the unanimous-consent agreement.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14396) to incorporate the Lake Erie and Ohio River Ship Canal, to define the powers thereof, and to facilitate interstate commerce.

The VICE-PRESIDENT. The question is on the motion of the Senator from Minnesota [Mr. NELSON] to lay the amend-

ment proposed by the Senator from Colorado [Mr. PATTERSON] on the table. The amendment will be stated.

The SECRETARY. In section 3, page 3, it is proposed to strike out the following proviso, beginning in line 14:

*Provided, however,* That the amount of debt created by the issue of bonds shall in no case exceed the amount of stock subscribed for and paid in in money, or property at its fair value.

And to insert in lieu thereof the following:

*Provided, however,* That the amount of debt created by the issue of bonds shall in no case exceed the amount of stock subscribed for and paid in in money at the face or par value of such stock, and such bonds shall neither be sold nor paid for at a greater discount than 5 per cent of their face or par value.

The VICE-PRESIDENT. The yeas and nays have been ordered upon the motion of the Senator from Minnesota to lay on the table the amendment just read. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. HOPKINS (when his name was called). I am paired with the junior Senator from South Carolina [Mr. LATIMER].

Mr. MALLORY (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. PROCTOR], who is absent. If he were present, I should vote "nay."

Mr. PETTUS (when his name was called). The junior Senator from Massachusetts [Mr. CRANE] is absent. I am paired with him.

Mr. SCOTT (when his name was called). I have a general pair with the junior Senator from Florida [Mr. TALLIAFERRO]. I do not see him in the Chamber, and I withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Vermont [Mr. DILLINGHAM]. I do not see him in the Chamber, and therefore I withhold my vote. If I were at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. GAMBLE. I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. I will transfer that pair to the junior Senator from New Jersey [Mr. DRYDEN] and vote. I vote "yea."

Mr. BEVERIDGE. I have a general pair with the senior Senator from Montana [Mr. CLARK]. I will transfer that pair to the junior Senator from Michigan [Mr. ALGER] and vote. I vote "yea."

Mr. SCOTT. The Senator from Florida [Mr. TALLIAFERRO] has returned to the Chamber and I will vote. I vote "yea."

The result was announced—yeas 32, nays 9, not voting 48, as follows:

| YEAS—32.       |              |             |             |
|----------------|--------------|-------------|-------------|
| Aldrich        | Burnham      | Gamble      | Perkins     |
| Allee          | Burrows      | Hemenway    | Piles       |
| Ankeny         | Carter       | Kean        | Scott       |
| Benson         | Dick         | Kittredge   | Smoot       |
| Beveridge      | Dolliver     | Knox        | Stone       |
| Brandegee      | Flint        | Millard     | Sutherland  |
| Bulkeley       | Foraker      | Nelson      | Warner      |
| Burkett        | Fulton       | Penrose     | Warren      |
| NAYS—9.        |              |             |             |
| Bacon          | Blackburn    | La Follette | Teller      |
| Bailey         | Clarke, Ark. | Patterson   | Whyte       |
| Berry          |              |             |             |
| NOT VOTING—48. |              |             |             |
| Alger          | Dillingham   | Hopkins     | Newlands    |
| Allison        | Dryden       | Latimer     | Nixon       |
| Carmack        | Dubois       | Lodge       | Overman     |
| Clapp          | Elkins       | Long        | Pettus      |
| Clark, Mont.   | Foster       | McCreary    | Platt       |
| Clark, Wyo.    | Frazier      | McCumber    | Proctor     |
| Clay           | Frye         | McEnery     | Rayner      |
| Crane          | Gallinger    | McLaurin    | Simmons     |
| Culberson      | Gearin       | Mallory     | Spooner     |
| Cullom         | Hale         | Martin      | Talliaferro |
| Daniel         | Hansbrough   | Money       | Tillman     |
| Depeew         | Heyburn      | Morgan      | Wetmore     |

The VICE-PRESIDENT. A quorum of the Senate has not voted. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

|              |           |             |             |
|--------------|-----------|-------------|-------------|
| Aldrich      | Clay      | Hansbrough  | Penrose     |
| Allee        | Culberson | Hemenway    | Perkins     |
| Ankeny       | Cullom    | Hopkins     | Pettus      |
| Bacon        | Daniel    | Kean        | Piles       |
| Bailey       | Dick      | Kittredge   | Scott       |
| Benson       | Dolliver  | Knox        | Simmons     |
| Berry        | Dubois    | La Follette | Smoot       |
| Beveridge    | Flint     | Long        | Spooner     |
| Blackburn    | Foraker   | McCumber    | Stone       |
| Brandegee    | Foster    | Mallory     | Sutherland  |
| Bulkeley     | Frazier   | Millard     | Talliaferro |
| Burkett      | Fulton    | Morgan      | Teller      |
| Burnham      | Gallinger | Nelson      | Warner      |
| Carter       | Gamble    | Overman     | Wetmore     |
| Clarke, Ark. | Hale      | Patterson   | Whyte       |

The VICE-PRESIDENT. Sixty Senators having answered to their names, a quorum is present. The Secretary will call the roll on agreeing to the motion of the Senator from Minne-

sota [Mr. NELSON] to lay the amendment of the Senator from Colorado [Mr. PATTERSON] on the table.

The Secretary proceeded to call the roll.

Mr. HOPKINS (when his name was called). I am paired with the junior Senator from South Carolina [Mr. LATIMER].

Mr. MALLORY (when his name was called). I am paired with the senior Senator from Vermont [Mr. PROCTOR].

Mr. MORGAN (when his name was called). I am paired with the Senator from Iowa [Mr. ALLISON].

Mr. SIMMONS (when his name was called). I am paired with the junior Senator from Minnesota [Mr. CLAPP].

Mr. SPOONER (when his name was called). I have a general pair with the Senator from Tennessee [Mr. CARMACK], who is absent. I transfer that pair to the Senator from Idaho [Mr. HEYBURN], and will vote. I vote "yea."

The roll call having been concluded, the result was announced—yeas 30, nays 15, as follows:

| YEAS—30.       |            |             |             |
|----------------|------------|-------------|-------------|
| Aldrich        | Carter     | Knox        | Scott       |
| Allee          | Dick       | Long        | Smoot       |
| Ankeny         | Flint      | McCumber    | Spooner     |
| Benson         | Foraker    | Millard     | Stone       |
| Brandegee      | Fulton     | Nelson      | Warner      |
| Bulkeley       | Hansbrough | Penrose     | Wetmore     |
| Burkett        | Kean       | Perkins     |             |
| Burnham        | Kittredge  | Piles       |             |
| NAYS—15.       |            |             |             |
| Bacon          | Culberson  | Gallinger   | Talliaferro |
| Berry          | Dubois     | La Follette | Teller      |
| Blackburn      | Foster     | McLaurin    | Whyte       |
| Clarke, Ark.   | Frazier    | Patterson   |             |
| NOT VOTING—44. |            |             |             |
| Alger          | Cullom     | Hemenway    | Newlands    |
| Allison        | Daniel     | Heyburn     | Nixon       |
| Bailey         | Depeew     | Hopkins     | Overman     |
| Beveridge      | Dillingham | Latimer     | Pettus      |
| Burrows        | Dolliver   | Lodge       | Platt       |
| Carmack        | Dryden     | McCreary    | Proctor     |
| Clapp          | Elkins     | McEnery     | Rayner      |
| Clark, Mont.   | Frye       | Mallory     | Simmons     |
| Clark, Wyo.    | Gamble     | Martin      | Sutherland  |
| Clay           | Gearin     | Money       | Tillman     |
| Crane          | Hale       | Morgan      | Warren      |

So Mr. PATTERSON's amendment was laid on the table.

#### PANAMA CANAL.

The VICE-PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 6191) to provide for the construction of a sea-level canal connecting the waters of the Atlantic and Pacific oceans, and the method of construction.

Mr. KITTREDGE. I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE-PRESIDENT. The Senator from South Dakota asks unanimous consent that the unfinished business be temporarily laid aside. Without objection, it is so ordered.

#### LAKE ERIE AND OHIO RIVER SHIP CANAL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14396) to incorporate the Lake Erie and Ohio River Ship Canal, to define the powers thereof, and to facilitate interstate commerce.

Mr. PATTERSON. I offer as a substitute for section 22 of the bill what I send to the desk. Let the Secretary read the section.

The SECRETARY (reading)—

Sec. 22. That the corporation hereby created shall be subject, in the respective States in which it does business, to all the laws of said States regulating the taxation of foreign corporations.

In lieu of section 22 it is proposed to insert:

Sec. 22. That the corporation hereby created shall be subject, in the respective States in which it does business, to taxation upon its property and franchises as are other corporations.

Mr. NELSON. I have no objection to that amendment.

Mr. SPOONER. I think the amendment ought not to be adopted, Mr. President.

Mr. PATTERSON. The Senator in charge of the bill [Mr. NELSON] states that it is satisfactory to him.

Mr. NELSON. I have conferred with the Senator from Pennsylvania about this matter, and he has no objection to the amendment.

Mr. SPOONER. I do not think it is a proper precedent to establish. I do not believe the States ought to be permitted to tax the franchises of a corporation created by Congress in the exercise of Federal power. The power to tax involves the power to destroy, and this seems to me to be something that ought not to be done any more than the Federal Government ought to tax the franchise of a State corporation. But, of course, if the Senator from Minnesota is willing to accept the amendment, I shall not contest it.

Mr. PATTERSON. I do not want to occupy any time in debating the amendment, Mr. President.

Mr. MALLORY. Mr. President, I agree with the Senator from Wisconsin [Mr. SPOONER] in regard to this amendment; and, if a vote is had on it, I shall vote against its adoption.

Mr. CULBERSON. Let the amendment be again read, Mr. President.

The VICE-PRESIDENT. The amendment proposed by the Senator from Colorado [Mr. PATTERSON] will be again stated.

The Secretary again read Mr. PATTERSON'S amendment.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Colorado.

The amendment was agreed to.

Mr. MALLORY. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Florida will be stated.

The SECRETARY. After the word "company," in section 17, line 16, on page 12, it is proposed to insert "and approved by the Interstate Commerce Commission."

Mr. MALLORY. Mr. President, the bill provides that the rate of "tolls shall be equal to all persons, vessels, and goods under certain classifications to be established by the company." The amendment which I sent to the desk adds, after the word "company," the words "and approved by the Interstate Commerce Commission;" so that the establishment of the classification will require the approval of the Interstate Commerce Commission.

I propose this amendment, Mr. President, because this is a Federal charter, and I think it is desirable that, if this is to be accepted as a precedent, whenever we establish a Federal charter some provision of this kind in regard to the classification of freight should be fixed in the charter. There is no means by which equality in rate charges is evaded oftener than by an arbitrary change of classification. Any Senator who will take the trouble to read the investigations made by the Industrial Commission will understand how readily—an illustration is given in the volumes of that report—how readily and how frequently, arbitrarily, and wrongfully the railroads have in the past, by transferring an article from one classification to another, been able to increase the charge on those classifications most oppressively.

Without taking up further time of the Senate—and I have only said this much for the purpose of calling attention to the object of the amendment—I trust that we may now have a vote on it.

Mr. NELSON. I should like to have the amendment again read.

The VICE-PRESIDENT. The amendment proposed by the Senator from Florida [Mr. MALLORY] will be again stated.

The SECRETARY. In section 17, on page 12, line 16, after the word "company," it is proposed to insert "and approved by the Interstate Commerce Commission;" so that if amended it will read:

Tolls shall be equal to all persons, vessels, and goods under certain classifications to be established by the company and approved by the Interstate Commerce Commission.

Mr. FORAKER. Mr. President, I have no objection to the amendment; but I wish to suggest to the Senator from Florida [Mr. MALLORY] that I do not know why, if we put this provision in, we should not make this canal subject to the interstate-commerce act. I say I have no objection to the amendment, because here Congress is granting this charter, it is exercising its proprietary right with respect to the charter, and it has a right to attach this or any other condition it may see fit to name. So that it is unlike the case of common carriers which are not created by an act of Congress. But if, as to the making of rates and charges, the canal is to be subjected to supervision by the Interstate Commerce Commission, why should it not be in every other respect? I have all the time thought—although I have not spent much time insisting upon it, for it has seemed to be useless—that all our waterways, canals, and rivers on which interstate commerce is carried should be under the supervision of the Interstate Commerce Commission. For this reason, Mr. President—

Mr. CULBERSON. Mr. President—

Mr. FORAKER. The Senator will excuse me for just a moment.

While no one complains of the rates charged for water transportation, it is a notorious fact that as to the evils of discrimination, which are most seriously complained of in connection with interstate commerce, carriers on waterways practice discriminations in a more pronounced way than any other class of carriers. Boats are loading at Cincinnati, for instance, for New Orleans. They charge for freight certain rates that are

recognized to be exacted from everybody until they find, two or three hours before they are about to sail, that they can not get a load otherwise, and then they load up with whatever they can get, no matter how low the rate may be, so that they can get freight. That is the practice in respect to water carriers almost everywhere.

So I see no objection, inasmuch as we are creating a corporation for building a ship canal, to making it subject to the provisions of the interstate-commerce law in so far as its provisions are applicable to carriers by water.

Mr. CULBERSON. Mr. President, I rose simply to call the attention of the Senator from Ohio to the last paragraph of section 9, in which that very thing is done.

Mr. FORAKER. If it be done by section 9, it is hardly worth while to do it over again by this proposed amendment. I was assuming that there had not been any such provision. Section 9 reads as follows:

That Congress hereby reserves the right to regulate—

Mr. CULBERSON. It is the last sentence of section 9.

Mr. FORAKER. I will read the entire section:

SEC. 9. That Congress hereby reserves the right to regulate the tolls, fares, and rates to be charged by said company for the use of said canals; and the said company and the said canals and all transportation thereon shall be subject to all the provisions of an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts supplemental thereto and amendatory thereof now or hereafter enacted.

It seems to me, Mr. President, that that covers the case completely.

Mr. MALLORY. There is no provision of law—

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Florida?

Mr. FORAKER. I will, if the Senator will allow me to say just one word more. I want to apologize for not apparently being aware of that section, but I have been absent from the Senate for a day or two—compelled to be on account of committee business—and I have not been able to give special attention to this measure, and so I was not aware of that section.

Mr. MALLORY. Mr. President, I do not think the Senator from Ohio is very far wrong in thinking that there is no provision of law that covers the subject of classification. Our rate bill does not, and there is no law that I know of that does confide to anybody the power to control classification. It is an arbitrary power, which is exercised by the railroads to-day, and in changing the classification they can change the rate. My idea is to put it in this bill, and I would have put it into the rate bill if I had had the opportunity, and I would include it in any charter relating to transportation that Congress should pass if I had my way, because I believe that it is a greater abuse than any of the other abuses which are practiced by railroads in the way of discriminations. Therefore, the amendment is necessary. If the Senator will read section 12, he will see that the right of classification is confided to this company. They can exercise their own sweet will as to what classifications they will provide. I do not know that in this particular instance, this canal transporting heavy freight like coal and iron ore, there is going to be much room for discrimination in classification; but still the bill confides that positively to the canal company, and I think it ought to be subject to the supervision of the Interstate Commerce Commission.

Mr. STONE. I should like to have the amendment again read.

The VICE-PRESIDENT. The Secretary will again read the amendment.

The Secretary again read the amendment proposed by Mr. MALLORY.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. BERRY. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Arkansas will be stated.

The SECRETARY. After line 14, on page 15, it is proposed to add as a new section the following:

SEC. 24. Nothing contained in this act shall be construed as creating a liability upon the United States for the payment of the stock, bonds, or other indebtedness of the corporation hereby created, nor shall it be construed as imposing an obligation upon the United States to purchase, take charge of, or operate the canal herein named.

Mr. NELSON. I have no objection to that amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAILEY. I offer an amendment, in section 5, page 4,

line 10, after the word "may," to insert "in lieu of paying dividends;" so as to read:

That the said company may, in lieu of paying dividends, from time to time set aside a portion of its net earnings to be a sinking fund, etc.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Texas.

Mr. BAILEY. Mr. President, it is probably true that the language of the section as it stands was only intended to authorize the company to set aside a part of what would otherwise have been declared and paid out as dividends; but I think the language susceptible of a different construction, and if a different construction should be placed upon it, it would, in my judgment, work a hardship upon the public. The bill provides for the construction of the canal by an issue of stock and bonds in practically equal amounts; indeed, I believe in exactly equal amounts. If the canal company is permitted to charge tolls sufficient, first, to pay interest on the bonds—and they must do that, of course, to avoid a foreclosure—next, to pay dividends on their stock, and, in addition to both, to set aside enough ultimately to retire the bonds, it must necessarily follow that they will be overcharging the traffic which they transport. Under the rules which we have adopted in the railroad-regulation act, every common carrier is entitled to earn a fair return upon the value—

Mr. LA FOLLETTE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Wisconsin?

Mr. BAILEY. Certainly.

Mr. LA FOLLETTE. I suggest that there is no quorum present.

The VICE-PRESIDENT. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

|              |            |             |            |
|--------------|------------|-------------|------------|
| Allee        | Culberson  | Kittredge   | Piles      |
| Ankeny       | Daniel     | Knox        | Scott      |
| Bailey       | Dick       | La Follette | Simmons    |
| Benson       | Dolliver   | Long        | Smoot      |
| Berry        | Dubois     | McEnery     | Spooner    |
| Brandegee    | Flint      | McLaurin    | Stone      |
| Bulkeley     | Foraker    | Millard     | Sutherland |
| Burkett      | Foster     | Morgan      | Taliaferro |
| Burnham      | Frazier    | Nelson      | Teller     |
| Barrows      | Fulton     | Overman     | Warner     |
| Carter       | Hansbrough | Patterson   | Warren     |
| Clarke, Ark. | Hopkins    | Penrose     | Wetmore    |
| Clay         | Kean       | Perkins     | Whyte      |

The VICE-PRESIDENT. Fifty-two Senators have answered to their names. A quorum is present.

Mr. BAILEY. Mr. President, perhaps I can illustrate my objection to the section and my argument in favor of the amendment by stating a case. Suppose this company contributes in cash, for which the stockholders receive stock, one-half the cost of constructing the canal, and borrows on bonds the other half. If they are permitted, after paying the interest on their bonds and a dividend, to charge enough to accumulate a surplus that will retire the bonds, at the end of the transaction the matter would stand in this way: The people who furnished one-half enough money to build the canal would have paid the other half, not out of the dividends to which they were entitled, but out of the excessive charges which they levied upon the traffic transported through the canal, and they would own the entire canal, with only an expenditure of half its cost.

It is undoubtedly true that it is well for Congress to encourage the payment of this debt, and I believe that there ought to be a provision which authorizes a sinking fund, but let the stockholders provide that sinking fund out of their own money, so that when the sinking fund has been accumulated until it is sufficient to pay off and retire the bonds, the canal will have been built entirely with the money of the stockholders. It would not be right and just to the taxpayers—or rather to the shippers who, after all, are taxpayers, but they contribute as shippers in this particular—it would not be right to authorize in practical effect—and it seems to me that is what this provision does—a transportation charge sufficient to pay the interest on the bonds, to pay dividends on the stock, and, in addition, to accumulate a surplus that shall finally retire the bonds. That can not be accomplished except by overcharging the transportation that may take place upon this canal.

I sincerely hope that the Senator in charge of the bill will agree to the adoption of the amendment, because it only expresses what the Senator from Pennsylvania [Mr. Knox] said the other day was, after all, the effect of section 5.

Mr. NELSON. Mr. President, I agree in part with the Senator from Texas, and shall make no objection to the amendment. It must occur to everybody that the sooner the fixed charges of the company are reduced the sooner there will be an oppor-

tunity to get lower rates. To allow a bonded debt to hang over the company without any diminution from year to year would simply afford them an opportunity to maintain their rates. That is one great objection that I have always had to some of the railroad managements, that, instead of taking the surplus which they accumulate and reducing their bonded debt from time to time so as to reduce their fixed charges, they allow that bonded debt to remain and to increase. Mr. President, I have no objection to the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Texas [Mr. BAILEY].

The amendment was agreed to.

Mr. LA FOLLETTE. I propose the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 13, after line 13, it is proposed to insert as a new section the following:

SEC.—It shall be the duty of the Interstate Commerce Commission to investigate and determine the true fair value of the said canal, canals, property, and appurtenances thereto belonging and used, or to be used, for the convenience of the public. Such investigation shall be commenced as soon as any work on the said canal is undertaken and shall continue as improvements are made and contracts are executed. For the purpose of such investigation, the Commission is authorized to employ such engineers, experts, and other assistants as may be necessary. The canal company, or any construction company, or other person, firm, or corporation engaged in the construction of the said canals or works or any parts thereof shall furnish to the Commission, from time to time, and as the Commission may require, maps, profiles, contracts, reports of engineers, and other documents, records and papers, or copies of any or all of the same, in aid of such investigation and determination of the value of the said canals, property, and appurtenances.

The Commission shall thereafter, in like manner, keep itself informed of all extensions and improvements or other changes in the condition of the property of the said canal and ascertain the fair value thereof, and, from time to time, as may be required, for the regulation of tolls, charges, and services, under the provisions of the act to regulate commerce, approved February 4, 1887, and all acts amendatory thereof, revise and correct its valuation of the property of the said canal company. To enable the Commission to make such valuation and such changes and corrections in its valuation, the said canal company is required to report currently to the Commission, and as the Commission may require, all improvements and changes in its property, and to file with the Commission copies of all contracts for such improvements at the time the same are executed.

Whenever the Commission shall have completed the valuation of the property, or any part thereof, and before said valuation shall be recorded as finally determined by said Commission, the Commission shall give notice by registered letter to the said canal company, stating the valuation placed upon the said canals, appurtenances, or parts thereof used, or to be used, for the convenience of the public, and shall allow the company twenty days in which to file a protest of the same with the Commission. If no protest is filed within twenty days, such valuation shall be made a matter of record by the Commission.

If notice of contest is filed by the said canal company, the Commission shall fix a time for hearing the same, and shall proceed as promptly as may be to hear and consider any matter relative and material thereto presented by the said company in support of its protest so filed as aforesaid. If after hearing any contest of such valuation, under the provisions of this act, the Commission is of the opinion that its valuation is incorrect, it shall correct the same and determine a fair valuation of such property, and shall make such determination a matter of record in the office of the Commission. All such valuations by the Commission shall be prima facie evidence of the fair value of the said canals, property, and appurtenances in any proceedings under the act to regulate commerce approved February 4, 1887, and all acts amendatory thereof, and in all proceedings which may be instituted for the purchase of the said canals, property, and appurtenances by the United States.

Mr. LA FOLLETTE. Mr. President, the Senate, by its vote on Saturday, rejected an amendment which would have authorized the Interstate Commerce Commission to control the issue of stocks and bonds by this corporation, limiting such issue to the value of the property and money invested in constructing and improving the canal. The Senate also voted down an amendment which would have clothed the Secretary of War with authority to prevent the fictitious capitalization of this corporation. This leaves the public wholly unprotected against stock watering, resulting, as it will, in excessive tolls and charges, unless some other measure is taken to prevent it. Surely the Senate will not now reject the proposed amendment the purpose of which is to enable the Interstate Commerce Commission to ascertain the fair value of this property and keep itself informed with respect to all changes in that value. By the terms of section 9 of the bill, as amended by the committee reporting it to the Senate, the Interstate Commerce Commission is authorized to regulate the tolls which the corporation may collect from the vessels passing through the canal, under the provisions of the interstate-commerce act of 1887 and acts amendatory thereof in so far as the same are applicable. Under the law, as interpreted by the Supreme Court, the Commission should so regulate the tolls as to make them just and reasonable. But what tolls and charges will be just and reasonable? A just and reasonable toll is such a charge as will yield the corporation a fair return upon a fair value of its property, used for the convenience of the vessels passing through the canal. To enable the Interstate Commerce Commission to fix and estab-

lish such reasonable tolls it must know the fair value of the property of the canal company.

Now, if section 9 is incorporated in this bill in good faith, surely there can be no objection to authorizing the Interstate Commerce Commission to ascertain the fair value of this property. It can in no other way fix reasonable tolls or charges for the vessels passing through the canal. It is not often that Congress can, by legislation, primarily and directly benefit the great masses of the people of this country. As a rule, they must secure such advantages under legislation in a secondary and indirect way.

The owners of great aggregations of capital can apply to Congress and to the legislatures of the different States for valuable public franchises offering opportunity for investment and large profit to themselves. But to-day, if we will but perform our plain duty to the people, who are granting through their Congress a franchise to this corporation, which enables it to condemn private property, to divert water courses, to change highways, and even railroads, to-day we have the opportunity at the very organization of this company to place it upon a basis, with respect to the regulation of its tolls and charges, which will be just and equitable to the public and make this canal a real and substantial benefit to the people whose commerce will pass from the North and West over the Great Lakes and through the canal.

The amendment authorizes the Interstate Commerce Commission, without any expense whatever to the canal company, to secure information upon which it can determine just what is a reasonable toll for the vessels passing through the canal. If any objection can be offered to the proposed amendment, I hope some Senator will rise and present it before the vote is taken.

Mr. NELSON. I move to lay the amendment on the table.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Minnesota to lay on the table the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE]. [Putting the question.] In the opinion of the Chair the "ayes" have it.

Mr. LA FOLLETTE. I ask for a roll call upon this matter.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. CLAY (when his name was called). I again announce my pair with the senior Senator from Massachusetts [Mr. LODGE]. Not knowing how he would vote, I decline to vote.

Mr. CULLOM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. MARTIN], who is absent, I understand, and therefore I withhold my vote.

Mr. HOPKINS (when his name was called). I am paired with the junior Senator from South Carolina [Mr. LATIMER], and for that reason I withhold my vote. I wish this statement to stand for the remainder of the day on all votes.

Mr. TILLMAN (when his name was called). I again announce my pair with the Senator from Vermont [Mr. DILLINGHAM]. If he were present, I should vote "nay."

Mr. WARREN (when his name was called). I am paired with the senior Senator from Mississippi [Mr. MONEY]. I do not see him present, and therefore withhold my vote.

The roll call was concluded.

Mr. MALLORY. I am paired with the senior Senator from Vermont [Mr. PROCTOR], who is not here.

Mr. WARREN. As I stated a few moments ago, I am paired with the Senator from Mississippi [Mr. MONEY]. If agreeable to the Senator from South Carolina [Mr. TILLMAN], we will exchange pairs, so that the Senator from Vermont [Mr. DILLINGHAM] will stand paired with the Senator from Mississippi [Mr. MONEY].

Mr. TILLMAN. That is agreeable to me.

Mr. WARREN. I will vote. I vote "yea."

Mr. TILLMAN. I vote "nay."

The result was announced—yeas 30, nays 20, as follows:

#### YEAS—30.

|           |           |          |            |
|-----------|-----------|----------|------------|
| Aldrich   | Carter    | Knox     | Scott      |
| Allie     | Dick      | Long     | Smoot      |
| Ankeny    | Flint     | McCumber | Spooner    |
| Benson    | Foraker   | Millard  | Stone      |
| Beveridge | Fulton    | Nelson   | Sutherland |
| Brandegee | Gallinger | Penrose  | Warren     |
| Bulkeley  | Kean      | Perkins  |            |
| Burnham   | Kittredge | Piles    |            |

#### NAYS—20.

|              |          |             |            |
|--------------|----------|-------------|------------|
| Bacon        | Daniel   | Hansbrough  | Simmons    |
| Bailey       | Dolliver | La Follette | Tallaferro |
| Berry        | Dubois   | McLaurin    | Teller     |
| Blackburn    | Foster   | Overman     | Tillman    |
| Clarke, Ark. | Frazier  | Patterson   | Whyte      |

#### NOT VOTING—39.

|              |            |          |          |
|--------------|------------|----------|----------|
| Alger        | Culberson  | Hemenway | Morgan   |
| Allison      | Cullom     | Heyburn  | Newlands |
| Burkett      | Depew      | Hopkins  | Nixon    |
| Burrows      | Dillingham | Latimer  | Pettus   |
| Carmack      | Dryden     | Lodge    | Platt    |
| Clapp        | Elkins     | McCreary | Proctor  |
| Clark, Mont. | Frye       | McEnery  | Rayner   |
| Clark, Wyo.  | Gamble     | Mallory  | Warner   |
| Clay         | Gearin     | Martin   | Wetmore  |
| Crane        | Hale       | Money    |          |

So Mr. LA FOLLETTE's amendment was laid on the table.

Mr. STONE. Mr. President, because of the anxiety of the junior Senator from Pennsylvania [Mr. KNOX] to conclude the consideration of this bill, I am reluctant to occupy the time of the Senate for even a few minutes in any further statement. But I am so profoundly astonished at the position taken by many Democratic Senators on this bill, seemingly on party ground, that I feel constrained to add something to what I said the other day regarding this measure. I would regret to separate, even on nonpolitical questions, from the body of my party associates; but when a question like that now before the Senate arises, which involves no party principle or policy, or any question of party authority, but which is a purely economic and commercial question, I can not follow blindly those who would lead in what I am convinced is a wrong direction. In such cases I need only to be satisfied that I am right, and being so satisfied, I would lose my self-respect if I did not have the courage of my convictions. I would infinitely prefer to stand alone, believing I was right, than to float with the current conscious that I was wrong.

Mr. President, I was a member of the subcommittee to which this bill was referred, and after a careful consideration of it I became convinced that it was a meritorious measure. After it had been materially amended so as to safeguard the public interests I approved the proposal to report it favorably to the Committee on Commerce; and after it was so reported to the committee I favored reporting it to the Senate with a recommendation for its passage. The bill was first considered by the Committee on Commerce as a whole, and hearings were had before the full committee. Maps were exhibited, explanations made, and witnesses interrogated. Then the bill was referred to a subcommittee, and that committee had several sittings, both public and executive, and the whole matter was examined into with the utmost care. I thought the bill should be passed, and I have heard nothing to change my opinion. No one claims that the bill is perfect. Perfect bills are very rare.

It is proper, therefore, to amend the bill, and no one should object to amending it at points where it may be imperfect, and several very excellent amendments have been proposed and agreed to. Other amendments have been offered and accepted that do not seem to me to be important, and some have been proposed that ought not to have been adopted, if the bill is to pass and become effective. It would be useless to pass it if it is to be so loaded down with restrictive provisions as to make it impracticable. There can be no objection to the most rigid scrutiny of the bill, nor to any amendment necessary to safeguard the public right; but hypercriticism is unjust, and amendments intended to weaken rather than to strengthen the measure ought to be rejected.

Mr. President, personally I know absolutely nothing of the men who are promoting this enterprise. Except the three or four gentlemen who appeared before the Committee on Commerce to present this measure to that body, I have never seen or heard from any person connected with the enterprise, and I can not now recall the names of those who appeared before the committee, nor do I know whether I could recognize any of them if I met them. I do recall, however, that they were gentlemen of fine intelligence, and we were informed that they were men of excellent standing. I do not know whether they are "dummies," as the junior Senator from Colorado [Mr. PATTERSON] intimated they might be; but they did not impress me or the committee as being men of that character. The personal aspect of those I saw was almost as engaging as that of the Senator from Colorado himself, and I could not pay them a higher compliment in that behalf. And as to their standing, character, and business integrity, I saw nothing, nor did anything occur, to excite suspicion that the Senators from Pennsylvania are mistaken in the estimate they have given of their qualities in those particulars.

The Senator from Colorado also delivered himself of a scathing malediction against the millionaires of Pittsburgh. They may deserve all he said about them; as to that I do not know. But this I do know, that if this bill is passed, and the canal is ever built under its authority, it will be necessary to interest men of millions in the enterprise, whether they live in Pitts-

burg or some other gilded portal to purgatory. The Senator from Colorado is not quite consistent in his discussion—I might say his indictment—of the denizens of Pittsburgh. In one breath he arraigns the millionaires and expresses apprehension that they are lying in ambush waiting to pounce on this project as soon as this charter is granted, and in the next breath he belabors the incorporators because they are pauper dummies, not millionaires, and therefore not able to build the canal. He pounds the millionaires because they are rich and have money with which they might construct the canal, and then he pounds the incorporators because he fears they are poor, and therefore unable to construct it. He would withhold this charter from the rich because they might build the canal, and he would withhold it from the poor because they might not be able to build it. I do not think that arguments of that kind, however eloquently presented, should sweep Senators who have capacity to discriminate and who sometimes indulge the luxury of reflection from their feet.

Mr. President, the opponents of this bill admit that the Constitution has clothed the Congress with authority to enact such laws as this. If that be so, then those who made the Constitution and those who have construed it did not consider that it would be dangerous either to the States or the people for Congress to pass such legislation. The danger of the Congress exercising such a power did not deter the framers or the earlier judicial expounders of the Constitution; but now at this day the danger of it rises like a horrid ghost to affright the wiser statesmen of this generation.

No, Mr. President, the bill is not opposed on constitutional grounds, but on some vague and intangible theories of public policy. Daniel Webster is quoted as saying that a corporation should not be chartered by the National Government unless it is to subserve some national object which could not be so well subserved by a State corporation. When the charters granted by Congress to the transcontinental railroads are referred to as illustrative of this Congressional power and as instances in which that power has been exercised, we are told that Congress did that to facilitate the transportation of mails, troops, and munitions of war. But, Mr. President, should the mails and the military be the only objects of governmental solicitude when this power of Congress is invoked? Are not the arts of peace as valuable and the needs of peace as great as those of war? Congress has power to regulate commerce between the States and with foreign nations and to adopt policies promotive of the general welfare. Is it less promotive of the general welfare or less within the legitimate purview of Congressional authority or of wise Congressional discretion to create a corporation to construct an interstate canal for the accommodation of the greatest commerce in the world, breaking the hold monopoly has upon that commerce and cheapening the cost of transportation by means of a great waterway—is that less within the legitimate purview of Congressional authority and wise discretion than to create a corporation to construct a railroad for the accommodation of the military forces of the country? It may be said that the canal, in a commercial sense, would be just as valuable if constructed by a corporation created under the laws of a State as it would be if constructed by a corporation created by an act of Congress. That may be so, but the same thing would be equally true of a railroad.

There are reasons, Mr. President, and good reasons, why Congress should create this corporation if we are willing to have a corporation construct this canal at all. One reason is that the navigable waters of the United States are to be used by the canal company, and the General Government should have a constant and watchful supervision over the company so that it may not abuse its privileges. The company could not utilize these navigable waters in the way it will probably have to utilize them without Congressional authority; and since that authority must be invoked, why should it not be sought in the first instance and in a way commensurate with the importance and necessities of the enterprise? Again, while it may be true that the Federal Government could regulate the tolls and practices of the canal company as to interstate and foreign commerce even though the canal should be constructed under a State charter, yet would it not be better for the public interest to put this canal immediately under Federal supervision and subject its business to the control of Federal authority?

Again, Mr. President, this is not a mere local enterprise, but one of great national importance. It is of scarcely less national importance than the Panama Canal itself. In some respects it is of infinitely more importance. So important is it to the commerce of the country that no man can say it should not be built. The commercial value of the canal is as clear as is the constitutional authority of Congress to organize this corporation. Mr.

President, there is no good reason, founded in law or public policy, why this corporation should not be created and empowered to prosecute this great enterprise, as stupendous as it is important.

Mr. President, it has been urged as an objection to this bill that if Congress charters this corporation the day will come when the stockholders and bondholders will come asking that the Government take the canal, pay the debts of the company, and assume its responsibilities, and that they will base their demand on the fact that Congress created the corporation. Such talk is idle. Whether the owners of the corporate stock and bonds will ever approach Congress in that way I can not, of course, foretell; but I do know that Congress would be under no obligation whatever to yield to any such demand. The Congress would be under no greater obligation, legal or moral, to take the canal from a national corporation than it would be to take it from a State corporation. The National Government would be under no greater obligation to take the property of a corporation existing under national authority than a State would be under obligation to take the property of a corporation existing under its authority. If a corporation does a paying business, the owners of the stocks and securities are usually anxious to hold the property. If it does a losing business and becomes insolvent, its property it usually put into the hands of a receiver, and this is true of national as well as State corporations. If one of the railroad companies chartered by the Government should become insolvent, or if a national bank should become insolvent, would the Government of the United States appropriate the property of the corporation and assume its liabilities? Of course not. The affairs of the company would be taken in charge by a court and wound up by judicial procedure. Why should any different rule apply to a corporation organized to construct a canal? Such talk, I say, as that to which I have referred is absolutely idle; "idle" is a mild epithet to apply to it; and yet it is upon such idle, improbable dreams that opposition to this measure is largely predicated. Gentlemen who resort to such arguments, if arguments they be, as that must be hard pressed for something to say in support of their contention.

Mr. President, I am and for years have been an earnest advocate of water transportation, not only along the seaboard, but also across the Lakes, along rivers, and through canals to be constructed by the Government. I wish it were so that the Government of the United States could take up this enterprise and make it truly a national work. But, manifestly, the Government can not do that at this time, and years must elapse before we could hope to have the Government undertake the work. Because of that fact I am willing to commit this project, gigantic and important as it is, to private enterprise.

But, Mr. President, so far from fearing that the Government may some day possess the canal, I hope the day is not distant when the Government will acquire, own, and control it, for I believe that the principal waterways of the country should be under the absolute control of the Government. One of my greatest anxieties, so far as public affairs are concerned, is to see a canal constructed from Lake Michigan to the Mississippi River, and to see that river so improved as to make a waterway navigable for large vessels from the Gulf to the Lakes, and thence across the Lakes, through the Erie Canal or some other canal, to tide water on the Atlantic coast. That would be a stupendous undertaking, I know, but it is feasible, and I am as sure that some day it will be accomplished as I am that I live. I even indulge the hope that before my public career is ended I may see the systematic beginning, if not the ending, of that greatest of all national undertakings. Indeed, I can not but regard the construction of this Lake Erie and Ohio River Canal, even though constructed under private auspices, as the inauguration of a work which will ultimate in a great system of waterways such as I have indicated. Therefore I am not alarmed at the possibility of the Government some day coming into the possession of this canal, and I am happy to do any legitimate thing calculated to stimulate a national spirit and impulse in the direction of canal construction.

I have been told that this project is not in accordance with Democratic ideas, but is a move in line with Republican ideas. That is not a very high plane from which to view a subject of this character and of this magnitude and importance; but even this narrow contention is not well founded. I undertake to affirm that the Democratic party, as much, if not more, than any other political organization that has ever existed as a substantial potentiality in this Republic, is committed to the doctrine of internal improvements under national authority and by national aid. I will admit that in more recent years the less sagacious statesmanship of the Democratic party has sought to build on lines more restrictive and circumscribed; but, Mr. President, the Democratic party when wisely led has always

been a party of progressive ideas and great conceptions. I deny absolutely that there is anything in the pending proposition inconsistent with Democratic party principles or out of harmony with the best and truest conceptions of Democratic statesmanship. Mr. President, I want to see the Democratic party once more take its proper place as the leader of public thought and public action. I want to see it a positive, not a mere negative force; a constructive rather than an obstructive factor in national development. It is easy to drift inertly and object to everything other people propose, but that is not a very proud and honorable position for a great party to occupy. A record of mere negation is not a record to boast of. I want the Democratic party to be what it has been, can be, and ought to be—a great, suggestive, potential, dominating force in American public life. I am for reviving the old masterful spirit of the party, and for making a new Democracy out of the old.

Mr. President, if we are to pass this bill, it should be a sensible and practical measure. It should, of course, be made as complete and perfect as possible; but I want it understood that I am not hunting for some excuse to vote against it. I voted against the motion of the junior Senator from Wisconsin [Mr. LA FOLLETTE] to strike out section 5 of the bill. That section, at least as it has been amended, should stand. To raise the enormous sum that will be required to construct this canal it will be necessary to incur indebtedness and to issue bonds. It is to be presumed that the Interstate Commerce Commission will prescribe reasonable tolls for freights carried on the canal. If the volume of that freight shall be large enough to produce a revenue sufficient to pay the fixed charges and operating expenses of the canal, with a surplus over, why should not the directorate and the stockholders be authorized to set a part of that surplus aside to raise a fund for the gradual extinction of the bonded debt? Would not that be in accordance with prudent, legitimate, and honorable business conduct?

Why, sir, if the Government itself should borrow money and build the canal, is it not probable that the net profits of operating the canal would be segregated and put into a fund with which to liquidate its bonds? Why, then, should not the stockholders of this corporation be permitted to set aside at least a part of their net profits for a similar purpose? If they should not be permitted to do that, then how would the bonds be paid? In the course of time they would certainly mature, and payment would be demanded. If there should be no sinking fund, then the stockholders themselves would have to contribute to a liquidating fund or else a new issue of bonds would be a necessity—either that or a receivership.

Mr. President, suppose the entire net profits should be paid to the stockholders and no sinking fund provided for; and suppose that out of these profits, distributed as dividends, the stockholders should afterwards contribute to a liquidating fund for the purpose of meeting the bonds at maturity, would there be any difference, so far as the public is concerned, between that and the creation of a sinking fund in the manner proposed by section 5 of the bill? What difference could it make to the public whether a part of the profits of the business was retained by the directorate and covered into a sinking fund to be held under its control or whether all the profits should be paid to the stockholders in the first place, and a part thereof afterwards returned to a voluntary fund created for the purpose of paying the bonds? If bonds are to be issued at all, then a sinking fund to meet them should be provided.

Almost of necessity bonds must be issued if the canal is built. That is the only practical and feasible way of raising the money necessary to construct the canal. And I can not see that it could possibly make any material difference to the public whether all the money needed for construction was raised from the sale of stock or whether only a part of it should be raised in that way and another part by the sale of bonds. It seems to me that, so far as the public is concerned, the result would be the same. And so I say, Mr. President, that if we are to pass this bill, while guarding the public interests with the greatest care, we should not so hedge it about with limitations and restrictions as to make it impossible to construct the canal in obedience to its provisions.

Mr. President, the Committee on Commerce is composed of honorable men, none of whom is a novice in the conduct of public affairs. I can not but feel impatient when Senators rise from their seats and insinuate that there is some sinister design wrapped up in a measure of legislation reported from that committee. Such insinuations reflect either upon the intelligence or the integrity of the committee. I resent such unwarranted insinuations, but I am not otherwise affected by them. Others may do as they please, and will do as they please, but as for myself, I can not be frightened by such oratorical thundering and vocal pyrotechnics as have characterized the as-

sault upon this bill. Being satisfied that I am right, I shall stand by my guns, let others do as they may.

Mr. PATTERSON. Mr. President, I will not occupy much time, because I know the junior Senator from Pennsylvania [Mr. KNOX] is anxious for a vote, as it is his desire, I understand, to leave the city, and I hope nothing that I will say will provoke any further discussion. But in view of the somewhat scathing malediction of my friend and neighbor I can not refrain from saying something. Here we are, the Senator from Missouri and myself, neighbors, with not even a fence between us, and, like a roaring lion, in a carefully prepared speech, he suddenly thunders out his anathemas upon me.

There is nothing political in this bill. The first effort that has been made to give it a political hue is from the Senator from Missouri. Both Senators upon this side of the Chamber and the other have voted for and against the different amendments that have been before the body, and if perchance upon most of them the Senators upon the other side and the Senators upon this have seemed to align themselves in party fashion, it is not because it is a party measure, or considered a party measure, but because there are certain principles in every school of political thought that necessarily and intuitively give color to the vote of every Senator when measures of this kind are before them.

And yet they are principles that are not altogether confined to the one party or the other, for reaching from one party we find that certain of its principles permeate at least beyond the outskirts of the other. The result of it is, while the votes may seem partisan, they are not partisan, and the votes, for the reason I have mentioned, have not been partisan in dealing with this measure.

I am rather gratified that the Senator from Missouri has proclaimed his independence of some imaginary party trammels. I do not think there was any necessity for that. Anybody who knows the Senator from Missouri knows that he is always independent, and that if it becomes a question of right and conscience no party obligations would control his vote or his utterance. No man should complain of that attitude upon the part of any Senator, for, after all, conviction should be the highest and the permanent standard of legislative duty.

Mr. President, I did not arraign the Pittsburg millionaires. I simply alluded to the fact that there are provisions in this measure which I thought were quite in keeping with the financial methods of the average Pittsburg millionaires, and when I suggested, by way of illustration, the United States Steel Company, the junior Senator from Pennsylvania [Mr. KNOX] admitted immediately—admitted in part, at least—the justice of the criticism. My suggestion was that Pittsburg millionaires, when it came to investment, had gotten into the habit of demanding four for one, and the junior Senator from Pennsylvania—

Mr. KNOX. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. PATTERSON. One moment, that the Senator may properly understand me. The junior Senator from Pennsylvania immediately admitted that there had been a world-wide, known, and great financial transaction in which citizens of his city did realize four to one, and he excused it upon the theory that the property was for sale, and finding financiers in the city of New York who were willing to purchase it at the rate of four to one, of course they did not feel disposed to take less than the purchasers were willing to give.

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. PATTERSON. Certainly.

Mr. KNOX. Mr. President, the limitation by the Senator from Colorado of his remarks to the specific instance to which he now refers makes it unnecessary for me to say what I had proposed. I thought he was speaking generally.

Mr. PATTERSON. Oh, no, Mr. President; that was all. I used the illustration for the purpose of particularly calling attention to what I conceive to be the inherently immoral and financially rotten feature of this bill; not only a questionable feature, but a reprehensible one; and, adopting my standard of honest dealing in such things as my guide and examining the bill by the measure of that standard, I do not see how a Senator can consistently with the duty of a Senator to the people of the country give it his support.

Mr. President, the Senator from Missouri [Mr. STONE] is no more enthusiastically in favor of great public works than am I. He will not vote more frequently nor can he vote more cheerfully in every proper case for whatever is necessary to put on foot and carry through great public enterprises; but I do insist, Mr. President, that when a company of men desire to have the brand of Federal approval placed upon their measure, they

shall either so guard it themselves or Congress shall so guard it that it can not be made an instrument for the undue oppression of the traveling and shipping public. I insist that by the terms of this measure, and I believe it is the purpose of those who have so carefully framed it—not the members of the committee, whose good faith and patriotism I could not question, but the men who brought the measure here and fashioned it to meet their designs—they can and doubtless will arrange it so that through the stock issue and the amount of bonds that will also be issued the work will appear to have cost \$160,000,000, while in fact it will have cost less than \$50,000,000.

That perhaps should not concern us so much, and it would not were it a corporation to carry on some ordinary business, such as a mining, manufacturing, or other industrial business; but, Mr. President, this is a transportation corporation. It is one created for constructing a line of transportation for the use of which it will collect tolls from the traveling and the freight-transporting public; and when they succeed in saddling upon it \$160,000,000 in the shape of \$80,000,000 of stock and \$80,000,000 of bonds, so that it will appear to the Interstate Commerce Commission and the public to have cost \$160,000,000, it means that rates and tolls on traffic of every character will be established upon that basis of cost and the public must submit to the extortion.

We all know that the business of corporations of this character is in a special class. They are quasi public; their business is in the nature of a monopoly; they demand and command the public patronage, and the public, if such corporations be left to their own devices, must pay unfair prices for the privilege of using them. The law and the courts have all declared that, by reason of the character of these corporations, Congress has a right to regulate their tolls and charges and the character of the service they are to give to the public. That this may be done as to transportation companies a commission has been created, and only at this session of Congress the powers of that Commission have been vastly enlarged, in order that the extortions and discriminations that such corporations have been practicing upon the public and their nefarious discriminations shall no longer continue and that only just, reasonable, and fairly remunerative charges shall be exacted.

The peculiar relation of this corporation to the public is that when the Commission is called upon to regulate its charges the Commission must, ex necessitate, have regard for the amount of incumbrances that are upon the property. Even though the bonds secured by their mortgage is far beyond the real value of the property, the Commission must recognize the validity of the bonds thus secured and allow such tolls as will enable the company to pay interest upon them, that they may not be forced into the hands of a receiver; and, in addition, upon the theory that the stockholders of such a company are entitled to fairly remunerative profits, the Commission must also allow such charges as will permit of fair dividends being paid upon the stock, and upon all the stock. Therefore it is of prime importance to both the country and the public that the cost of the canals shall be supervised by Congress, and that proper provision shall be made to prevent the issue of an undue amount of bonds and stock.

This is positively necessary that the tolls and charges to be imposed upon the shipping interests shall not be extortionate or unfair. It is because under this bill the promoters may meet and agree to issue all the bonds and stock and agree upon the price they will pay for them, taking all the bonds and stock to themselves at a price only sufficient to construct the work that, as guardians of the public interests, we should prevent it. Congress, since its approval is applied for, should make it impossible to saddle a public work that can't cost more than \$50,000,000 with a stock and bond debt of \$160,000,000.

Mr. President, one Senator may say that such is not the provision of the bill; another may say that it is. I have examined it for myself, and, to my mind, such are the provisions of the bill, and such are the powers given to the incorporators and to those who are to undertake to construct the work. That it is I have no more doubt than I have that I am on the floor at this time addressing the Senate; and no Senator has undertaken to disprove these facts.

Mr. President, as I said before, we should always be particularly careful in chartering transportation corporations, because the business of the country will immediately be put under tribute to such corporations, and we should see to it that that tribute shall not be made extortionate, unjust, or unreasonable.

I will not, Mr. President, pay any attention to what was said by the Senator from Missouri about what he hopes the Democratic party will be. I was in doubt whether he was indulging

in a eulogy or a criticism of the Democratic party. I have no question as to what the Democratic party will be and must be. If it was not a party that did represent constructive statesmanship, if it was not a party that did represent the real interests of the masses of the people, if it was not a party that could not be cajoled or intimidated indefinitely by the consolidated wealth of the country whether operating in the form of trusts or industrial combines or monopolies, it would have been dead and buried long ago. The fact that it lives, the fact that it is to-day arraying itself as a body militant, the fact that the conservative press of the country is already recognizing the almost certainty of the success of the Democratic party in the coming campaign, proves not only that it is a conservative party, but that it is a party militant, that it represents and stands for sound, national, undying principles, and without which a republican form of government must perish from this continent. Its destiny is not to be determined by Senators who are shocked at the attitude of brother Senators who fight for honest financial methods, nor by Senators who become unduly indignant because their colleagues see fit to criticize in an honest way legislation which they believe to be unwise and dangerous. Such are not going to determine the fate of the party of which the Senator and myself are members—the Senator from Missouri a very distinguished member, and I a much less one and more of a negative quantity.

Mr. President, why should the Senator suggest that we are unduly criticizing the Committee on Commerce? I have no question but that all the members of that committee when they reported the bill believed that they were doing a wise and a patriotic thing. When I heard the eulogy that was passed upon the Pittsburg gentleman who appeared before the committee, I was inclined to think that, instead of any of the opponents of the measure being carried off their feet, some of the committee, who ought to have stood firmly on solid ground, did permit themselves to be swept away, and they are now floundering about quite unconscious of the fact. The very fact that a number of important amendments have been made, shows that the bill deserved criticism, that it was a proper subject of discussion, and that, had it been passed without amendments, something would have been done that could hardly be defended.

I believe, Mr. President, that the measure, except in essential particulars, was well guarded. It was well guarded in non-essentials. I recognize the constitutional power of Congress to give charters of this character, but, while that is true, when I saw the vital defect in this bill, when I realized the certainty that it gives to the corporation, the opportunity to oppress the shippers of the country, through the lien of an exorbitant and wholly unwarranted amount of indebtedness, an indebtedness out of all proportion to the money to be put into the enterprise, acting upon my own individual responsibility, and not as a partisan, not even realizing that there was an obligation upon any Democratic Senator to vote with me or against me, I took the stand upon the bill I did. So far as I am concerned, with this vital defect in the measure, as broad and clear as it was at the very moment we commenced deliberating upon it, I can not vote for it.

I can not vote for it for another equally good reason—because it does not follow at all that though this bill should be defeated the canal will not be built. As it was clearly pointed out by the Senator from Georgia [Mr. Bacon], this company already has its charter from two States, with the power to consolidate and construct this work as though it were being constructed in but one State. That was the channel these incorporators first sought, and it seems to me as though coming to Congress were but an afterthought.

The Senator from Missouri says that he looks for the day and longs for the day when the United States will own all of these canals constructed by private corporations and otherwise. Well, Mr. President, I should like the Senator from Missouri to draw the line between canal government ownership and railroad government ownership. Canals and railways are both instruments of commerce; they both connect all the States and all the great waterways and the great oceans. The railroad system is of much vaster importance to the business of the country than any canal system that can be built.

The mere fact that canal transportation is cheaper than railroad transportation does not in the least change the principle that is involved. These are all great public highways; they are all for the advancement of commerce; they must all be used by the public; they are all subject to Congressional control; they all aim at the same end—and the mere fact that one system of transportation is by water and the other system of transportation is by steel rails does not and can not alter the eternal principle that lies at the bottom.

I am not advocating government ownership; but I do not

hesitate to say that whenever any Senator, I care not what his political affiliations may be, insists that because it will be for the benefit of the country, because it will cheapen transportation and improve business and add to the prosperity of the country, because it will bind together in closer lines the great water highways—when for those reasons he insists that the Government should own the canals and operate them and rent them out and charge tolls upon them, he has made every argument that is necessary for the government ownership of railroads, and he is familiarizing the public mind with the idea that after all the only harbor of safety to the business and to the people of the country from transportation extortion is by putting under government control not only the canals, but the railroads.

Mr. STONE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Missouri?

Mr. PATTERSON. Certainly.

Mr. STONE. I do not care to enter into a discussion on the subject of government ownership of railroads, but I should like to ask the Senator—and it is pertinent to what he is saying—whether he can not differentiate and clearly draw the distinction between the Government of the United States improving the Mississippi River, for instance, and better adapting it to commercial uses and navigable uses, and constructing a line of railroad?

Mr. PATTERSON. Oh, yes, Mr. President; I can differentiate, and nothing will give me greater pleasure than to differentiate. When Congress appropriates money for the widening or the deepening or the straightening of the Mississippi River—

Mr. STONE. Or the connection of one waterway with another.

Mr. PATTERSON. Or the connection of one waterway with another, whether through a bayou or through dry land, Congress is simply making easy the use of all of these waterways by all the people without charge or let or hindrance. Any man may take his steamboat or his flatboat or his log raft down those streams, and there is no guardian standing at the mouth or anywhere midway demanding tolls; but I conceive, Mr. President, that if this Government shall purchase a great canal and tributaries 200 miles in length that can be used only by a limited number of shippers or boats, Congress will do what it is natural for Congress to do under such circumstances—fix tolls and adopt regulations by which and under which such canal can be used.

The Senator from Missouri has not yet gone to the extent of suggesting that Congress buy the New York and Erie, the Wabash and Erie, the Lake Erie and Ohio River Canal—the one that is proposed to be built—and the other canals of the country and maintain them as open waterways for the unlimited and unrestricted use of the shipping or the traveling public. That is the vast difference between owning and operating canals and improving natural waterways. The latter are for all the public, who may use them at will and without charge; the other is for the customer—the man, the company, or corporation—that will pay the charges or tolls fixed by the Government and observe the regulations fixed by the Government. That is all there is in connection with the Government ownership of railways. Those who are advocating government ownership of railways do not for a moment suggest that they be made free highways, but they say the Government shall establish such regulations and fix such tolls as will maintain the roads in good order, extend the lines wherever they may be needed, and give the use of the roads, so far as they will accommodate the public, to shippers who are willing to pay the tolls and to meet and abide by the regulations.

Mr. President, I speak for no party. I am not advocating government ownership of railroads or of canals, but I do say that every measure of this kind is familiarizing the public mind not only with the idea, but with the benefits of public ownership of all the public utilities. The country is traveling quite rapidly enough in that direction. The goal is liable to be reached before the country is prepared for it, and I do not believe that Congress should make their strides too long or exhibit undue haste in reaching that goal. The public sentiment of the country will carry the country there quite rapidly enough.

Mr. President, I have simply spoken for myself to express my own views. This is not a party question in any sense of the word. No man is obliged to vote for the bill because he is a Republican or against it because he is a Democrat. It is merely a question of the exercise of good, sound, common sense and business judgment, and, in addition, to determine the wisdom of starting out along this new and untried path.

This is the first time that any canal company has ever re-

ceived a charter from Congress. This bill will be the initial instrument in putting the Government into business of that kind; and since it is the initiation of a new policy Congress may well hesitate before it enters upon that policy. Certainly it is the duty of every Senator to discuss every feature of the bill critically and to discuss the policy that is involved, to determine whether or not by his deliberate action he will aid in starting the Government along this new line.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE-PRESIDENT. The question is, Shall the bill pass?

Mr. BERRY. Upon that I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). I have a general pair with the Senator from California [Mr. FLINT]. In his absence, I withhold my vote.

Mr. MALLORY (when his name was called). I again announce my pair with the senior Senator from Vermont [Mr. PROCTOR]. If he were present, I should vote "nay."

Mr. SPOONER (when his name was called). I transfer my pair with the Senator from Tennessee [Mr. CARMACK] to the Senator from Idaho [Mr. HEYBURN], and will vote. I vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the Senator from Mississippi [Mr. MONEY]. I withhold my vote.

The roll call was concluded.

Mr. CULLOM. I have a general pair with the junior Senator from Virginia [Mr. MARTIN], and therefore withhold my vote.

Mr. BEVERIDGE. I have a general pair with the senior Senator from Montana [Mr. CLARK]. I hold in my hand a telegram from him to the junior Senator from Pennsylvania [Mr. KNOX], saying he would vote in favor of the bill if here, which releases me, and I wish to vote. I vote "yea."

Mr. DILLINGHAM. I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who I observe has not voted. If he were present, I should vote "yea."

Mr. CLAY. I am paired with the senior Senator from Massachusetts [Mr. LODGE]. In his absence, I withhold my vote.

Mr. BAILEY. I desire to announce my pair with the Senator from West Virginia [Mr. ELKINS].

Mr. MALLORY. I suggest to the Senator from Wyoming [Mr. WARREN] that we transfer our pairs, so that the Senator from Vermont [Mr. PROCTOR] will stand paired with the Senator from Mississippi [Mr. MONEY].

Mr. WARREN. That is agreeable to me.

Mr. MALLORY. I vote "nay."

Mr. WARREN. I vote "yea."

Mr. CLAPP. I transfer my pair to the junior Senator from New Jersey [Mr. DRYDEN], and will vote. I vote "yea."

Mr. CULLOM. I am informed that I can transfer my pair with the junior Senator from Virginia [Mr. MARTIN] to the Senator from Montana [Mr. CLARK], which I do, and will vote. I vote "yea."

The result was announced—yeas 41, nays 11, as follows:

|                |              |             |            |
|----------------|--------------|-------------|------------|
| YEAS—41.       |              |             |            |
| Aldrich        | Clapp        | Hemenway    | Scott      |
| Allee          | Clarke, Ark. | Kittredge   | Smoot      |
| Ankeny         | Cullom       | Knox        | Spooner    |
| Benson         | Dick         | La Follette | Stone      |
| Beveridge      | Dolliver     | Long        | Sutherland |
| Brandegee      | Dubois       | McCumber    | Warner     |
| Bulkeley       | Foraker      | Millard     | Warren     |
| Burkett        | Foster       | Nelson      | Wetmore    |
| Burnham        | Fulton       | Penrose     |            |
| Burrows        | Gallinger    | Perkins     |            |
| Carter         | Hansbrough   | Piles       |            |
| NAYS—11.       |              |             |            |
| Bacon          | Daniel       | McLaurin    | Teller     |
| Berry          | Frazier      | Mallory     | Whyte      |
| Blackburn      | Kean         | Patterson   |            |
| NOT VOTING—37. |              |             |            |
| Alger          | Dillingham   | Latimer     | Pettus     |
| Allison        | Dryden       | Lodge       | Platt      |
| Bailey         | Elkins       | McCreary    | Proctor    |
| Carmack        | Flint        | McEnery     | Rayner     |
| Clark, Mont.   | Frye         | Martin      | Simmons    |
| Clark, Wyo.    | Gamble       | Money       | Tallaferro |
| Clay           | Gearin       | Morgan      | Tillman    |
| Crane          | Hale         | Newlands    |            |
| Culbertson     | Heyburn      | Nixon       |            |
| Depew          | Hopkins      | Overman     |            |

So the bill was passed.

#### ALASKA RAILROAD COMPANY.

Mr. BURNHAM. Mr. President, I give notice that I will ask unanimous consent for the consideration of the bill (S. 6358)

to aid in the construction of a railroad and telegraph and telephone line in the district of Alaska after the routine morning business to-morrow and after the consideration of the District of Columbia bill, as to which notice has been given.

Mr. TELLER subsequently said: Mr. President, I am about to leave the Senate for the remainder of the session, for which I suppose I ought to obtain the consent of the Senate. I assume there will be no objection, although the rule, I believe, says I ought to ask leave, and if it is necessary I will do so.

I wish to say a word. The Senator from New Hampshire [Mr. BURNHAM] has just given notice that to-morrow he will call up a bill chartering a railroad company in the district of Alaska. I had intended to prepare some amendments to that bill, but I have not had the time to do it since the bill has been re-formed, as I think it came in in its present form on the 5th day of this month. I merely want to say with respect to the bill that I think its passage will be very unfair to a vast number of citizens who are putting their money into railroads in Alaska and are asking no assistance whatever from the Government, not even asking for a charter. I desired to say that because I have felt like attempting at least to re-form the bill properly, which I can not do under the circumstances. I did not think it would be called up during the session.

#### EDUCATION OF THE BLIND.

Mr. SPOONER. I am directed by the Committee on Finance, to whom was referred the bill (H. R. 16290) to postpone until 1937 the maturity of \$250,000 of 4 per cent United States bonds held in trust for the benefit of the American Printing House for the Blind, to report it with an amendment in the nature of a substitute, and I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment, to strike out all after the enacting clause and insert:

"That the sum of \$250,000, heretofore invested in United States registered 4 per cent bonds, funded loan of 1907, inscribed 'Secretary of the Treasury, trustee, interest to the Treasurer of the United States for credit of appropriation 'To promote the education of the blind,' shall, upon the maturity and redemption of said bonds on the 1st day of July, 1907, in lieu of reinvestment in other Government bonds, be set apart and credited on the books of the Treasury Department as a perpetual trust fund; and the sum of \$10,000, being equivalent to 4 per cent on the principal of said trust fund, be, and the same is hereby, appropriated, out of any moneys in the Treasury not otherwise appropriated, and such appropriation shall be deemed a permanent annual appropriation, and shall be expended in the manner and for the purposes authorized by the act approved March 3, 1879, entitled 'An act to promote the education of the blind,' approved March 3, 1879.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "A bill to modify the requirements of the act entitled 'An act to promote the education of the blind,' approved March 3, 1879."

#### PRACTICE OF OSTEOPATHY IN THE DISTRICT OF COLUMBIA.

Mr. FORAKER. I ask present consideration for the bill (S. 5221) to regulate the practice of osteopathy, to license osteopathic physicians, and to punish persons violating the provisions thereof in the District of Columbia.

The VICE-PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BAILEY. Mr. President—

Mr. FORAKER rose.

Mr. BAILEY. I thought the Senator from Ohio was going to address the Chair.

Mr. FORAKER. I did address the Chair a moment ago, and I asked unanimous consent for the present consideration of this bill. It is a bill of some twelve or thirteen pages, and I will withhold the request until a more opportune moment if Senators have shorter bills which they wish to have passed.

Mr. NELSON. The bill is of great importance, and I wish the Senator would let it go over.

Mr. FORAKER. It can be considered at another time, and I will withdraw the request for the present.

Mr. SPOONER. What is the bill?

Mr. FORAKER. It is a bill of some 12 or 13 pages, providing for the regulation of the practice of osteopathy in the District. It merely authorizes the creation of a board to make examination of those who wish so to practice. In view of the length of the bill, I will withdraw the request until a more opportune moment, as so many Senators are pressing shorter measures.

The VICE-PRESIDENT. The Senator from Ohio withdraws his request.

EDWARD S. BRAGG.

Mr. McCUMBER. I am directed by the Committee on Pensions, to whom was referred the bill (S. 6365) granting a pension to Edward S. Bragg, to report it with an amendment. I call the attention of the Senator from Wisconsin to it.

Mr. SPOONER. I ask unanimous consent for the present consideration of the bill. It is very short and will not lead to debate.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Pensions with an amendment, in line 8, before the word "dollars," to strike out "seventy-five" and insert "fifty;" so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Edward S. Bragg, late brigadier-general, United States Volunteers, and pay him a pension at the rate of \$50 per month.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### MEXICAN KICKAPOO INDIANS.

Mr. TELLER. Mr. President, I have what is intended to be a petition from some Indians, and I desire to have the petition and a letter which accompanies it printed and referred to the Committee on Indian Affairs, if I can obtain the consent of the Senate. I do not care to have them printed as a document, but I should like to have them printed in the Record, so that they may be preserved. I ask unanimous consent to do that.

The VICE-PRESIDENT. The Senator from Colorado asks permission that the papers sent to the Secretary's desk by him be printed in the Record and referred to the Committee on Indian Affairs. Without objection, it is so ordered.

The papers referred to are as follows:

SAN FRANCISCO KICKAPOO COLONY,  
Muzquiz, Mexico, June 10, 1906.

Hon. H. M. TELLER,

United States Senate, Washington, D. C.

DEAR SIR: We, the undersigned Mexican Kickapoo Indians, are those referred to in the act of Congress of March 3, 1905, as "Oke mah and his wife Th the qua, and five others." We sent Mr. Bentley to Washington, after having agreed among ourselves to put our allotments in Oklahoma into a pool for the purpose of acquiring lands here, or rather, to exchange our lands there for land here. Of course, we are Indians and do not understand the details of such business, and employed him to look after it for us. He came back from Washington and told us that Congress had passed a law that we could do as we pleased with our land, just the same as a white man.

Then we deeded the land or turned it over to Mr. Bentley, that he might sell it and with the money buy land here. At the time we signed the deeds some money was advanced to us for us to live on until we could get some land and make a crop. Mr. Bentley took the deeds back to Oklahoma and tried to sell the land. The Indian agent there opposed the sale, and said the deeds were no good. The people up there who bought some of the land will not pay the last payment until the Secretary of the Interior follows the law and issues to us our patents, which he has not done.

We are all satisfied with what Mr. Bentley has done and tried to do, but the Secretary of the Interior keeps sending men here to tell us about it. We know all about it, and don't need some men who don't know anything about it to come and tell us about it. They try to break what we have done, tell us Bentley is a bad man, and that he has stolen everything. He did not steal anything from us. The money he has gotten so far was paid for the land where we live, and on which we make this letter now. We made lots of wheat right here this year. It was hauled in ox carts to Muzquiz. We are eating flour made from the wheat from our own land for the first time in our lives. We are plowing the land that raised the wheat, and planting it in corn right now. The spring crop of corn is just in good roasting ears now. We begin drying corn next week. Lots of corn this year, and good corn, but we have no houses to put it in, and no money to make them with. Some families have 10 acres for the first crop, and will plant 10 acres fall crop. Our pumpkins and melons are doing fine, and we have lots of beans right now. Our farm land is good. Lots of water, but too little grass for our stock, because we haven't got it fenced, and the Mexicans graze it with their goats, and they spoil the grass.

The Indian agent from Shawnee and the United States attorney from Oklahoma are here bothering us. We didn't call them here. If we have trouble we look to the Mexican law. The Mexican judge, when we complained, put them out of our camp, because we didn't want them here. They tried to get the young men who drink muscal to go back to the American side and sell their land; we don't want to sell any land; we want to swap it for land here. If they get money for the land they will spend the money and then come back to us and want us to take them in and share the land we have bought with them. We can't do that, for if they sell their land we won't have enough money to buy Piedra Blanca. Where we live now the land is too small. We just stopped here until we could get a larger land, and because this was the first place we could get. We expect the attorney and the Indian agent will lie about it just as Dixon did. They have got six white men with them. One of them had a saloon and gambling house when we left Shawnee, Okla. Another one of them was a saloon man, and Grimes, the leader, the department has refused to lease land to. Now, the Indian agent brings him over here to furnish the proof on which to lie about us. Thackery has been at Eagle Pass trying to coax the young men over there so these men can buy their land. These men that are here wanted us to sign papers for them to send to Thackery. They said he would telegraph the contents of the papers to

Washington. Their papers, as they read them to us, said that Mr. Bentley had some of us arrested in order to make us sign to get in the new tribe here. Their paper is a lie. Not one of our people signed their paper; nobody has been arrested to make him sign anything; everybody was glad to sign the New Indian tribal roll. At first some of them did not understand it because these white men had lied to them, but now all have willingly signed.

The only arrests were some Indians who attempted to leave without paying their debts, but they were arrested on complaint of the Mexican merchants, and they were Pottawatomie Indians, who were going back to Shawnee anyway.

We want the United States to let us alone. Call back this Indian agent and attorney. We want the new law just as it has been explained to us. Every Kickapoo here sent Bentley to Washington to ask for this new law so we could swap our land there for land here. Some of us have not gotten our lease money for three years. We need it bad and ask you to help us. We want it sent to Eagle Pass, Tex. We want the Border National Bank to pay us. We are afraid of Thackery and will not sign anything unless our white friends who read English tell us what it is. We might touch the pen for lease money and he put our names on a deed. The Mexican authorities tell us that Dixon was a bad man and that he lied about us and that these men who came in company with Thackery are bad white men. Some of them stay in Muzquiz around the saloons and give beer and whisky to those of our people who will drink it. They offered some of our headmen \$300 to let them come and stay in their tepees. In the lifetime of Senator Quay he started this work for us, with the help of Senator Pettigrew; now Johnny Mine tells us you are our friend, and we are glad of that. We don't have many white friends, but we think a great deal of a straight white man. We thank you for what you have done for us and for anything you may do.

Most respectfully, your friends,

- (1) OKE MAH (his x mark).
- (2) THI THE QUA (her x mark).
- (3) NO TEN (his x mark).
- (4) WAH NAH KE THA HAH (his x mark).
- (5) NE CON O PIT (his x mark).
- (6) KISHKIN E QUOTE (his x mark).
- (7) TAH PAH THE A (her x mark).

(Sole heir of Shuck e quah.)

Witnesses to marks from (1) to (7):  
STANLEY EDGE (Caddo, Interpreter).  
JACOB TOMAHAWK.

I hereby certify that I am the official interpreter of the Mexican Kickapoo Indians from Oklahoma now resident in Mexico, and that I correctly and fully interpreted the foregoing letter to each of the signers thereof, and caused him to fully understand the same before his signature was affixed thereto. The above letter was formulated by Oke mah in the presence of practically the entire tribe in council assembled, and received the unanimous indorsement of the tribe, and was written by our clerk, E. P. Erney, as dictated and directed by Oke mah, our principal headman.

JOHNNY MINE (his x mark).  
(Mah me qua che mah che ma net.)

Witnesses to mark:  
STANLEY EDGE.  
JACOB TOMAHAWK,  
Chief Indian Territory Shawnees in Mexico.

EAGLE PASS, TEX.,  
June 2, 1906.

HON. H. M. TELLER, Washington, D. C.

DEAR SIR: I am just in receipt of a letter from Mr. Martin J. Bentley, who is now at Muzquiz, Mexico, who says that Mr. Thackery and the United States district attorney have been to Monclova, Mexico, and say they have examined the records and find no transfer of six days of water, etc., to Martin J. Bentley. I will say that there are now and have been for several months in our vaults the following papers:

A contract of sale from Celedonio Galan to Martin J. Bentley.  
A deed to six days of water and the land thereto pertaining from Celedonio Galan to Martin J. Bentley.  
A written opinion from Lic. Garza Castillon (a Mexican lawyer) that the said deed is a valid one.

An agreement from Mr. Bentley properly acknowledged that he will deed to certain Indians the above land when he makes final payment on same.

The deed from Celedonio Galan to Mr. Bentley is "registered" in the office of Eduardo Elizondo, a notary public at Muzquiz, Mexico, which is all that is required, under the Mexican laws, to pass title to land. They have no officer designated as a clerk of records, but deeds, etc., are registered (equivalent to our recorded) in the office of a notary public duly authorized to register public documents. Had Mr. Thackery or the district attorney asked us, we would have shown them the deed and would have also taken pleasure in explaining to them where they could find it recorded in Mexico.

We believe the papers are good beyond question, and we did not pay out any of this money until we got the certificate above mentioned from Mr. Garza Castillon that the papers were in order.

I will say that Mr. Garza Castillon is one of the best known lawyers in northern Mexico, and his opinion is accepted by all regarding land matters in that country.

Yours, very truly,

W. A. BONNET, President.

[Copy of letter from Bentley.]

MUZQUIZ, MEXICO, June 2, 1906.

MY DEAR SENATOR: Thinking you should know the situation, I write you.

Upon my arrival here I found Mr. Thackery, the Indian agent, with an attorney, claiming to be special United States attorney, pretending to investigate titles. They have not learned much of Mexican law, and up to date have found no record of the transfer to me, and I presume they will report no transfer. I have asked the bank at Eagle Pass to write you a full statement. The first transfer is of record here, while they have been hunting at Monclova for it. The local judge ordered all persons objectionable to the Indians removed from their camp, and as they objected to the agent, he was obliged to go with the rest. About a dozen speculators are here trying to pull the Indians off and induce them to sell. They brought with them four boys who have been making trouble. These the authorities have ordered out of town, and the grafters are threatening all kinds of international complications. One boy is under arrest, but will be released on Monday. The Indians are

joyful, and are earnestly at work planting winter-wheat ground in corn.

The transfer is recorded after Mexican fashion here with Edward Elizondo, a notary public, and then placed in escrow pending the last payment formerly referred to.

Thanking you again for many favors,

Very truly, yours,

M. J. BENTLEY.

I think the attempt will be made to have the President refuse approval and call the conferees before him. Could you not be present in such a case, and also the commissioner, so that the President may be made to fully see the situation?

M. J. B.

#### GRANT OF LANDS TO MANCOS, COLO.

Mr. PATTERSON. I am directed by the Committee on Public Lands, to whom was referred the bill (H. R. 10292) granting to the town of Mancos, Colo., the right to enter certain lands, to report it without amendment. I ask unanimous consent that it be considered at this sitting. It is very short.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### PASTURE RESERVE NO. 3, COMANCHE COUNTY, OKLA.

Mr. LONG. I ask unanimous consent that the Senate may consider at this time H. R. 16785, giving preference right to actual settlers on pasture reserve No. 3 to purchase lands leased to them for agricultural purposes in Comanche County, Okla.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, on page 1, line 5, after the word "act," to strike out "of this Congress in H. R. 17507" and insert "approved June 8, 1906;" so as to read:

That persons who are now in possession of land under leases approved by the Secretary of the Interior on pasture reserve No. 3, open for settlement by act approved June 8, 1906, etc.

The amendment was agreed to.

The next amendment was, on page 2, line 24, after the word "act," to strike out "of this session of Congress in H. R. 17507" and insert "approved June 8, 1906;" so as to read:

The funds received from said sales to be placed to the credit of the Indians the same as other funds provided for in said act approved June 8, 1906: *Provided*, That the Secretary shall appoint said commissioners within thirty days from the passage of this act, and said commissioners shall make said appraisal and file their report within thirty days from the date of their appointments.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

#### VETERINARY SERVICE OF THE ARMY.

Mr. WARREN. I ask unanimous consent to call up for present consideration the bill (S. 3927) to increase the efficiency of the veterinary service of the Army.

The VICE-PRESIDENT. Is there objection to the present consideration of the bill indicated by the Senator from Wyoming?

Mr. BURROWS. Let it be read.

The VICE-PRESIDENT. The Secretary will read the bill.

The Secretary proceeded to read the bill.

Mr. CARTER. This bill is likely to lead to some discussion, and I therefore suggest to the Senator from Wyoming, in view of the desire to have unobjectionable bills considered, that he withdraw the request for the time being.

Mr. WARREN. If the Senator from Montana objects, of course I have nothing to do but to consent that it go over.

Mr. CARTER. I do not care to be regarded as objecting to the bill, for perchance I might favor its passage ultimately, but I think it will lead to some debate.

Mr. WARREN. I will say to the Senator that it makes but little change, and it ought to be passed before we adjourn.

Mr. NELSON. It will create a new lot of commissioned officers in the Regular Army.

Mr. WARREN. It does not do that; but if the Senator objects, of course the bill will go over.

Mr. NELSON. I should like to have it go over.

The VICE-PRESIDENT. Under objection, the bill will go over.

HELEN G. HIBBARD.

Mr. PERKINS. I ask unanimous consent for the present consideration of the bill (S. 6268) granting a pension to Helen

G. Hibbard. It is a short pension bill, and the beneficiary is very much in need.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill had been reported from the Committee on Pensions with an amendment, in line 9, before the word "dollars," to strike out "twenty-four" and insert "twelve;" so as to make the bill read:

*Be it enacted, etc.,* That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Helen G. Hibbard, widow of James M. Edminster, late of Company E, Ninth Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of \$12 per month.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### DEATH OF REPRESENTATIVE RUFUS E. LESTER.

The VICE-PRESIDENT. The Chair lays before the Senate resolutions of the House of Representatives relative to the death of the late Representative LESTER, of Georgia, which will be read.

The Secretary read the resolutions, as follows:

#### IN THE HOUSE OF REPRESENTATIVES, June 18, 1906.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. RUFUS EZEKIEL LESTER, late a Representative from the State of Georgia.

*Resolved*, That a committee of fifteen Members of the House be appointed by the Speaker to take order, superintending the funeral of Mr. LESTER, at Savannah, Ga., and to attend the same, with such members of the Senate as may be appointed by the Senate.

*Resolved*, That the Sergeant-at-Arms of the House be, and he is hereby, authorized and directed to take such steps as may be necessary to carry out these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the House do now adjourn.

Mr. BACON. Mr. President, I offer the resolutions I send to the desk.

The VICE-PRESIDENT. The Senator from Georgia submits resolutions, which will be read.

The Secretary read the resolutions, as follows:

*Resolved*, That the Senate has heard with deep sensibility the announcement of the death of Hon. RUFUS E. LESTER, late a Representative from the State of Georgia.

*Resolved*, That a committee of seven Senators be appointed by the presiding officer to join a committee appointed on the part of the House of Representatives to attend the funeral of the deceased, at Savannah, Ga.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives.

The VICE-PRESIDENT. The question is on agreeing to the resolutions submitted by the Senator from Georgia.

The resolutions were unanimously agreed to.

The VICE-PRESIDENT appointed under the second resolution as the committee on the part of the Senate Mr. BACON, Mr. CLAPP, Mr. CLAY, Mr. WARNER, Mr. FOSTER, Mr. FULTON, and Mr. OVERMAN.

Mr. BACON. Mr. President, I move as a further mark of respect to the memory of the deceased that the Senate adjourn.

The motion was unanimously agreed to; and (at 4 o'clock and 39 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, June 19, 1906, at 12 o'clock meridian.

#### NOMINATIONS.

##### *Executive nominations received by the Senate June 18, 1906.*

##### AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

John G. A. Leishman, of Pennsylvania, now envoy extraordinary and minister plenipotentiary to Turkey, to be ambassador extraordinary and plenipotentiary of the United States to Turkey, to fill an original vacancy.

##### SURVEYORS OF CUSTOMS.

John R. Puryear to be surveyor of customs for the port of Paducah, in the State of Kentucky. (Reappointment.)

Frank B. Posey to be surveyor of customs for the port of Evansville, in the State of Indiana. (Reappointment.)

##### COLLECTOR OF INTERNAL REVENUE.

George H. Brown, of North Carolina, to be collector of internal revenue for the fifth district of North Carolina, to succeed Herschel S. Harkins, removed.

#### REGISTER OF LAND OFFICE.

John Reese, of Broken Bow, Nebr., now receiver of public moneys at that place, to be register of the land office at Broken Bow, Nebr., vice James Whitehead, whose term expired May 25.

#### RECEIVER OF PUBLIC MONEYS.

Darius M. Amsberry, of Broken Bow, Nebr., to be receiver of public moneys at Broken Bow, vice John Reese, to be transferred to register of that land office.

#### PROMOTION IN THE NAVY.

Capt. William T. Burwell to be a rear-admiral in the Navy from the 6th day of June, 1906, vice Rear-Admiral John J. Hunker, an additional number in grade.

#### PROMOTIONS IN THE ARMY.

Lieut. Col. William L. Pitcher, Twenty-eighth Infantry, to be colonel from June 15, 1906, vice Whitall, Twenty-seventh Infantry, retired from active service.

Maj. Bernard A. Byrne, Thirteenth Infantry, to be lieutenant-colonel from June 15, 1906, vice Pitcher, Twenty-eighth Infantry, promoted.

Capt. Harry C. Hale, Fifteenth Infantry, to be major from June 15, 1906, vice Byrne, Thirteenth Infantry, promoted.

First Lieut. Garrison McCaskey, Twenty-fifth Infantry, to be captain from June 15, 1906, vice Hale, Fifteenth Infantry, promoted.

Col. Samuel R. Whitall, United States Army, retired, to be placed on the retired list of the Army with the rank of brigadier-general from June 15, 1906.

#### POSTMASTERS.

##### ARIZONA.

Albert L. Smith to be postmaster at Prescott, in the county of Yavapai and Territory of Arizona, in place of Albert L. Smith. Incumbent's commission expired April 25, 1906.

##### ARKANSAS.

G. H. Taylor to be postmaster at Morrilton, in the county of Conway and State of Arkansas, in place of Omar N. Hawkins, resigned.

##### COLORADO.

Clark Z. Cozens to be postmaster at Littleton, in the county of Arapahoe and State of Colorado, in place of Maud Olmsted. Incumbent's commission expires June 27, 1906.

##### FLORIDA.

Guy Gillen to be postmaster at Lake City, in the county of Columbia and State of Florida, in place of Berry E. Raulerson. Incumbent's commission expires June 25, 1906.

Alexander W. Jackson to be postmaster at White Springs, in the county of Hamilton and State of Florida, in place of Thomas H. Alexander, removed.

Henry J. Ritchie to be postmaster at St. Augustine, in the county of St. John and State of Florida, in place of Henry J. Ritchie. Incumbent's commission expired June 17, 1906.

Joseph L. Skipper to be postmaster at Lakeland, in the county of Polk and State of Florida, in place of Joseph L. Skipper. Incumbent's commission expired January 21, 1906.

##### ILLINOIS.

James F. M. Greene to be postmaster at Hillsboro, in the county of Montgomery and State of Illinois, in place of James F. M. Greene. Incumbent's commission expired May 27, 1906.

Edward Grimm to be postmaster at Galena, in the county of Jo Daviess and State of Illinois, in place of George S. Avery. Incumbent's commission expired June 10, 1906.

William H. Hainline to be postmaster at Macomb, in the county of McDonough and State of Illinois, in place of William H. Hainline. Incumbent's commission expires June 24, 1906.

James H. Lincoln to be postmaster at Franklin Grove, in the county of Lee and State of Illinois, in place of James H. Lincoln. Incumbent's commission expired June 10, 1906.

James R. Morgan to be postmaster at Maroa, in the county of Macon and State of Illinois, in place of James R. Morgan. Incumbent's commission expired June 10, 1906.

William E. Nipe to be postmaster at Mount Carroll, in the county of Carroll and State of Illinois, in place of William E. Nipe. Incumbent's commission expired June 7, 1906.

##### INDIANA.

William T. Baker to be postmaster at Alexandria, in the county of Madison and State of Indiana, in place of James F. Brenaman. Incumbent's commission expired March 31, 1906.

E. T. Botkin to be postmaster at Farmland, in the county of Randolph and State of Indiana, in place of William C. West. Incumbent's commission expired December 12, 1905.

## IOWA.

Frank E. Fritcher to be postmaster at Nashua, in the county of Chickasaw and State of Iowa, in place of Frank E. Fritcher. Incumbent's commission expires June 30, 1906.

G. L. Van de Steeg to be postmaster at Orange City, in the county of Sioux and State of Iowa, in place of G. L. Van de Steeg. Incumbent's commission expired June 10, 1906.

## KANSAS.

James A. Arment to be postmaster at Dodge City, in the county of Ford and State of Kansas, in place of James A. Arment. Incumbent's commission expires June 28, 1906.

Frank C. Bevington to be postmaster at Jewell, in the county of Jewell and State of Kansas, in place of William C. Palmer, resigned.

James Frey to be postmaster at Enterprise, in the county of Dickinson and State of Kansas, in place of James Frey. Incumbent's commission expires June 27, 1906.

Theodore Griffith to be postmaster at Great Bend, in the county of Barton and State of Kansas, in place of Theodore Griffith. Incumbent's commission expires June 24, 1906.

Samuel C. Lobaugh to be postmaster at Harper, in the county of Harper and State of Kansas, in place of Samuel C. Lobaugh. Incumbent's commission expires July 1, 1906.

Samuel R. Peters to be postmaster at Newton, in the county of Harvey and State of Kansas, in place of Samuel R. Peters. Incumbent's commission expires June 24, 1906.

George W. Watson to be postmaster at Kinsley, in the county of Edwards and State of Kansas, in place of George W. Watson. Incumbent's commission expires June 28, 1906.

## MASSACHUSETTS.

William E. Freese to be postmaster at East Walpole, in the county of Norfolk and State of Massachusetts, in place of John F. Freese, resigned.

Joseph A. West to be postmaster at Provincetown, in the county of Barnstable and State of Massachusetts, in place of Joseph A. West. Incumbent's commission expired June 2, 1906.

## MICHIGAN.

Minnie L. Hall to be postmaster at Lawton, in the county of Van Buren and State of Michigan, in place of Elmer W. Hall, deceased.

Charles G. Kellow, to be postmaster at Painesdale, in the county of Houghton and State of Michigan. Office became Presidential January 1, 1906.

## MINNESOTA.

Charles E. Callaghan to be postmaster at Rochester, in the county of Olmsted and State of Minnesota, in place of Charles E. Callaghan. Incumbent's commission expired June 10, 1906.

Theodore P. Fagre to be postmaster at Blooming Prairie, in the county of Steele and State of Minnesota, in place of Walter L. Bucksen, resigned.

## MONTANA.

Ira L. Kirk to be postmaster at Bozeman, in the county of Gallatin and State of Montana, in place of Ira L. Kirk. Incumbent's commission expires June 30, 1906.

## NEBRASKA.

James M. Beaver to be postmaster at Scribner, in the county of Dodge and State of Nebraska, in place of James M. Beaver. Incumbent's commission expired January 20, 1906.

Frank D. Reed to be postmaster at Shelton, in the county of Buffalo and State of Nebraska, in place of Frank D. Reed. Incumbent's commission expired May 19, 1906.

## NEW JERSEY.

Edwin Cadmus to be postmaster at Bayonne, in the county of Hudson and State of New Jersey, in place of Edwin Cadmus. Incumbent's commission expires June 24, 1906.

## NEW YORK.

Robert H. Bareham to be postmaster at Palmyra, in the county of Wayne and State of New York, in place of Frederick W. Clemons. Incumbent's commission expired December 17, 1905.

Charles E. Sheldon to be postmaster at Sherman, in the county of Chautauqua and State of New York, in place of Charles E. Sheldon. Incumbent's commission expires June 27, 1906.

Claude L. Wilson to be postmaster at Little Valley, in the county of Cattaraugus and State of New York, in place of Claude L. Wilson. Incumbent's commission expires June 19, 1906.

## NORTH CAROLINA.

William H. Jenkins to be postmaster at Henderson, in the county of Vance and State of North Carolina, in place of Pryce T. Jones. Incumbent's commission expires June 24, 1906.

## OHIO.

John W. Bath to be postmaster at Elyria, in the county of Lorain and State of Ohio, in place of Irving H. Griswold. Incumbent's commission expired January 16, 1906.

Henry S. Enck to be postmaster at Leipsic, in the county of Putnam and State of Ohio, in place of Henry S. Enck. Incumbent's commission expires June 30, 1906.

Frank A. Gamble to be postmaster at Van Wert, in the county of Van Wert and State of Ohio, in place of Clyde A. L. Purmort. Incumbent's commission expired April 5, 1906.

Allan Graham, jr., to be postmaster at Ottawa, in the county of Putnam and State of Ohio, in place of Allan Graham, jr. Incumbent's commission expired May 19, 1906.

Homer L. House to be postmaster at Deshler, in the county of Henry and State of Ohio, in place of John Vogt. Incumbent's commission expires June 30, 1906.

John Ramsey McElroy to be postmaster at New Comerstown, in the county of Tuscarawas and State of Ohio, in place of Robert F. Dent, deceased.

Leslie E. Meyer to be postmaster at Oakharbor, in the county of Ottawa and State of Ohio, in place of John C. Metzger, deceased.

William D. Powley to be postmaster at Monroeville, in the county of Huron and State of Ohio, in place of William D. Powley. Incumbent's commission expired January 16, 1906.

## OKLAHOMA.

Alfred F. Deming to be postmaster at Snyder, in the county of Kiowa and Territory of Oklahoma, in place of Bess L. Bailey, resigned.

## PENNSYLVANIA.

David M. Graham to be postmaster at Mahanoy City, in the county of Schuylkill and State of Pennsylvania, in place of David M. Graham. Incumbent's commission expired April 2, 1906.

Burd R. Linder to be postmaster at Orwigsburg, in the county of Schuylkill and State of Pennsylvania, in place of Burd R. Linder. Incumbent's commission expired April 3, 1906.

Jesse H. Roberts to be postmaster at Downingtown, in the county of Chester and State of Pennsylvania, in place of Jesse H. Roberts. Incumbent's commission expired June 30, 1906.

George W. Schmeltzer to be postmaster at Pine Grove, in the county of Schuylkill and State of Pennsylvania, in place of George W. Schmeltzer. Incumbent's commission expired April 10, 1906.

William H. Underwood to be postmaster at Washington, in the county of Washington and State of Pennsylvania, in place of William H. Underwood. Incumbent's commission expired March 10, 1906.

## SOUTH DAKOTA.

John E. Hipple to be postmaster at Pierre, in the county of Hughes and State of South Dakota, in place of Samuel G. Dewell. Incumbent's commission expired March 4, 1906.

## TEXAS.

William C. Smith to be postmaster at Bowie, in the county of Montague and State of Texas, in place of William C. Smith. Incumbent's commission expired March 25, 1906.

## UTAH.

John W. Dougall to be postmaster at Springville, in the county of Utah and State of Utah, in place of Hugh M. Dougall, deceased.

Peter Martin to be postmaster at Park City, in the county of Summit and State of Utah, in place of Nellie M. Thriot. Incumbent's commission expires June 30, 1906.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate June 18, 1906.*

## AMBASSADOR.

John G. A. Leishman, of Pennsylvania, to be ambassador extraordinary and plenipotentiary of the United States to Turkey.

## PROMOTIONS IN THE ARMY.

Lieut. Col. Oliver E. Wood, detailed military secretary, to be colonel in the Artillery Corps from June 8, 1906.

Maj. John R. Williams, detailed military secretary, to be lieutenant-colonel in the Artillery Corps from June 9, 1906.

## POSTMASTERS.

## CALIFORNIA.

Thomas M. Wright to be postmaster at Watsonville, in the county of Santa Cruz and State of California.

## ILLINOIS.

Thomas W. Price to be postmaster at Astoria, in the county of Fulton and State of Illinois.

William H. Shaw to be postmaster at Canton, in the county of Fulton and State of Illinois.

Joseph T. Van Gundy to be postmaster at Monticello, in the county of Piatt and State of Illinois.

Cassius M. C. Weedman to be postmaster at Farmer City, in the county of Dewitt and State of Illinois.

Sewell P. Wood to be postmaster at Farmington, in the county of Fulton and State of Illinois.

#### INDIANA.

James R. Spivey to be postmaster at Bluffton, in the county of Wells and State of Indiana.

Harry A. Strohm to be postmaster at Kentland, in the county of Newton and State of Indiana.

#### IOWA.

Edna Chesley to be postmaster at Sutherland, in the county of O'Brien and State of Iowa.

William Gray to be postmaster at Clear Lake, in the county of Cerro Gordo and State of Iowa.

William M. Sindlinger to be postmaster at Waterloo, in the county of Black Hawk and State of Iowa.

#### KANSAS.

Floyd E. Young to be postmaster at Stockton, in the county of Rooks and State of Kansas.

#### MICHIGAN.

Edward L. Bates to be postmaster at Pentwater, in the county of Oceana and State of Michigan.

E. A. Smith to be postmaster at Wayne, in the county of Wayne and State of Michigan.

#### NEBRASKA.

Albert M. Coonrod to be postmaster at Ord, in the county of Valley and State of Nebraska.

#### NEW YORK.

Charles Herbert Rich to be postmaster at Cattaraugus, in the county of Cattaraugus and State of New York.

Leroy H. Van Kirk to be postmaster at Ithaca, in the county of Thompson and State of New York.

#### OREGON.

James T. Brown to be postmaster at Pendleton, in the county of Umatilla and State of Oregon.

#### PENNSYLVANIA.

John Grein to be postmaster at Homestead, in the county of Allegheny and State of Pennsylvania.

Alonzo G. Hudson to be postmaster at Safe Harbor, in the county of Lancaster and State of Pennsylvania.

George R. Morrison to be postmaster at Oakmont, in the county of Allegheny and State of Pennsylvania.

Harry G. Smith to be postmaster at West Chester, in the county of Chester and State of Pennsylvania.

John A. Wallace to be postmaster at Chester, in the county of Delaware and State of Pennsylvania.

#### SOUTH DAKOTA.

William A. Carter to be postmaster at Castlewood, in the county of Hamlin and State of South Dakota.

Edward G. Edgerton to be postmaster at Yankton, in the county of Yankton and State of South Dakota.

#### WASHINGTON.

James Ewart to be postmaster at Colfax, in the county of Whitman and State of Washington.

#### WISCONSIN.

John T. Harris to be postmaster at Ripon, in the county of Fond du Lac and State of Wisconsin.

Benjamin Webster to be postmaster at Platteville, in the county of Grant and State of Wisconsin.

### HOUSE OF REPRESENTATIVES.

MONDAY, June 18, 1906.

The House met at 11 o'clock a. m.  
The Chaplain, the Rev. HENRY N. COUDEN, D. D., offered the following prayer:

O Thou great Father Soul, above, beneath, around, within, impress us, we beseech Thee, with Thy presence and quicken all that is truest, noblest, best in our being, that with singleness of purpose we may serve Thee all the days of our life in a faithful service to our fellow-men. Profoundly impressed by the brief span of our earthly existence in the absence of one whose vacant chair and draped desk carry to our hearts the unwelcome tidings that the place which knew him here shall know him no more, the faithful service which he rendered his people, his State, his nation in the committee room and on the floor of this House is over. But Thou, O God, are ever the same, and Thy

presence is ever with us, and though life is a mystery, strange its vicissitudes, death an enigma, yet underlying all, down deep in our being is the consciousness of the immortality of the soul. Comfort his colleagues and friends, his bereaved wife and children with the blessed truth, and impress us with the thought that though he may not return to us we shall surely go to him, there to dwell in the realm of eternal bliss forever, in Jesus Christ our Lord. Amen.

The Journal of yesterday's proceedings was read and approved.

#### AGRICULTURAL APPROPRIATION BILL.

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to recommit the agricultural appropriation bill to the Committee on Agriculture.

The SPEAKER. The gentleman from New York [Mr. WADSWORTH] asks unanimous consent to recommit the agricultural appropriation bill to the Committee on Agriculture. Is there objection?

There was no objection.

#### SUSPENSION OF RULES.

Mr. PAYNE. Mr. Speaker, I ask unanimous consent that a motion to suspend the rules be in order on Tuesday and Wednesday of this week the same as under the rules it would be to-day.

The SPEAKER. The gentleman from New York [Mr. PAYNE] asks unanimous consent that a motion to suspend the rules shall be in order on Tuesday and Wednesday next the same as it would be to-day. Is there objection?

There was no objection.

#### DEATH OF HON. RUFUS E. LESTER.

Mr. BARTLETT. Mr. Speaker, it becomes my painful duty to announce to the House the death of an honored Member, the Hon. RUFUS E. LESTER, a Representative from the State of Georgia, who for nearly eighteen years has served the State in that capacity faithfully, earnestly, and devotedly. He met the great enemy of us all, Mr. Speaker, with that same uncomplaining courage that he met and discharged all of the duties of life.

At some later time I will ask the House to set apart a day upon which his colleagues and friends of the House may pay tribute to the memory and services of our deceased associate. I offer the resolutions which I send to the Clerk's desk.

The SPEAKER. The gentleman from Georgia [Mr. BARTLETT] offers the following resolutions; which the Clerk will report.

The Clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of Hon. RUFUS EZEKIEL LESTER, late a Representative from the State of Georgia.

*Resolved*, That a committee of fifteen Members of the House be appointed by the Speaker to take order superintending the funeral of Mr. LESTER at Savannah, Ga., and to attend the same, with such members of the Senate as may be appointed by the Senate.

*Resolved*, That the Sergeant-at-Arms of the House be, and he is hereby, authorized and directed to take such steps as may be necessary to carry out these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk of the House communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The SPEAKER. The question is on agreeing to all of the resolutions except the last one.

The question was taken; and the resolutions were unanimously agreed to.

The SPEAKER announced the following committee: Mr. BARTLETT, Mr. BURTON of Ohio, Mr. BANKHEAD, Mr. GRIGGS, Mr. SPARKMAN, Mr. BISHOP, Mr. BRANTLEY, Mr. LAWRENCE, Mr. ADAMSON, Mr. HARDWICK, Mr. BELL of Georgia, Mr. LEWIS, Mr. CLAYTON, Mr. DAVIDSON, and Mr. BURGESS.

The SPEAKER. The question is on agreeing to the last resolution.

The question was taken; and the resolution was agreed to. Accordingly (at 11 o'clock and 15 minutes a. m.) the House adjourned until to-morrow.

#### EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, the following executive communication was taken from the Speaker's table and referred as follows:

A letter from the Secretary of the Treasury, transmitting a copy of a letter from the Commissioners of the District of Columbia submitting an estimate of appropriation for payment of a judgment against the District of Columbia—to the Committee on Appropriations, and ordered to be printed.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. LEVER: A joint resolution (H. J. Res. 176) directing the Secretary of Agriculture to cause a survey and investigation to be made of the swamp and tidal lands of Virginia, North Carolina, South Carolina, and Georgia, to determine the feasibility and cost of leveeing and draining said lands, and the benefits to agriculture and the public health which would result therefrom—to the Committee on Agriculture.

By Mr. BARTLETT: A resolution (H. Res. 595) to pay Daniel G. Heidt, jr., amount due for clerk hire—to the Committee on Accounts.

By Mr. KAHN: A memorial of the legislature of California, favoring maintenance of appropriation for hydrographic branch of the Geological Survey—to the Committee on Appropriations.

Also, a memorial of the legislature of California favoring the suspension of section 2324 of the Revised Statutes on account of the recent calamity in that State—to the Committee on Mines and Mining.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. SMITH of Arizona: A bill (H. R. 20280) to set aside certain lands to the town of Flagstaff for park purposes—to the Committee on the Public Lands.

By Mr. MOON of Tennessee: A bill (H. R. 20281) for the relief of the widow of the late Capt. Daniel C. Trewitt—to the Committee on War Claims.

By Mr. REEDER: A bill (H. R. 20282) granting an increase of pension to Joseph Morrell—to the Committee on Invalid Pensions.

By Mr. HUFF: A bill (H. R. 20283) granting an increase of pension to Henry D. Bole—to the Committee on Invalid Pensions.

Also, a bill (H. R. 20284) granting an increase of pension to Lewis Hazlett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 20285) granting an increase of pension to Alexander Thompson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 20286) granting an increase of pension to Bartholomew Holmes—to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of Daughters of the American Revolution for aid for the Jamestown Exposition—to the Committee on Industrial Arts and Expositions.

By Mr. BARCHFELD: Petition of Grange Association of Pennsylvania, for pure-food bill (Hepburn bill)—to the Committee on Interstate and Foreign Commerce.

By Mr. DRAPER: Petition of Robert S. Waddell, against the powder monopoly—to the Committee on Military Affairs.

By Mr. FULLER: Petition of Board of Trade of Chicago, for a thorough inspection of packing-house meat products—to the Committee on Agriculture.

Also, petition of D. Hernan, Streator, Ill., for pure-food bill and Federal inspection of meat-packers' products—to the Committee on Interstate and Foreign Commerce.

Also, petition of United Trades and Labor Council, Streator, Ill., for the Gardner eight-hour bill—to the Committee on Rules.

Also, petition of Chicago Commercial Association, for the ship-subsidy bill or bill for upbuilding of American merchant marine—to the Committee on the Merchant Marine and Fisheries.

Also, petition of United German Societies of New York City, for furtherance of treaties of arbitration—to the Committee on Foreign Affairs.

By Mr. GRAHAM: Petition of M. Saperstein, Tarentum, Pa., against the Dillingham-Gardner bill—to the Committee on Immigration and Naturalization.

Also, petition of Grange Association of Pennsylvania, for pure-food bill (Hepburn bill)—to the Committee on Interstate and Foreign Commerce.

Also, petition of Mrs. Mary S. Ross et al., for investigation of affairs in Kongo Free State—to the Committee on Foreign Affairs.

By Mr. HUFF: Paper to accompany bill for relief of Lewis

Hazlett, Alexander Thompson, Bartholomew Holmes, David W. McClure, and Henry D. Bole—to the Committee on Invalid Pensions.

By Mr. LACEY: Petition of Hawarden Commercial Club, against parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Samuel W. Jones et al., of Iowa, for the pure-food bill and Federal meat inspection—to the Committee on Interstate and Foreign Commerce.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of Thomas R. Elliott—to the Committee on Invalid Pensions.

By Mr. NORRIS: Petition of Nebraska Stock Growers' Association, for Government inspection of packing-house meat products—to the Committee on Interstate and Foreign Commerce.

By Mr. WEISSE: Petition of the Sheboygan Herald, against tariff on linotype machines—to the Committee on Ways and Means.

Also, petition of National German-American Alliance, for better system of distribution of immigrants in the United States—to the Committee on Immigration and Naturalization.

## SENATE.

TUESDAY, June 19, 1906.

Prayer by Rev. ULYSSES G. B. PIERCE, of the city of Washington.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. HALE, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

## NAVAL APPROPRIATION BILL.

Mr. HALE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18750) making appropriations for the naval service for the fiscal year ending June 30, 1907, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 34, 35, 38, and 47.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 5, 11, 12, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 52, 53, 54, 57, 58, 59, and 63; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with amendments as follows:

In line 10 of said amendment strike out the colon and insert in lieu thereof a period.

In lines 10, 11, 12, 13, 14, 15, 16, and 17 of said amendment strike out the following: "Provided, That hereafter the pay and allowances of chaplains shall be the same, rank for rank, as is or may be provided by law for officers of the line and of the Medical and Pay Corps, all of whom shall hereafter receive the same pay on shore duty as is now provided for sea duty: And provided further, That the present pay and allowances of any officer now in the Navy shall not be reduced: Provided further," and insert in lieu thereof, as a new paragraph:

"That all chaplains now in the Navy above the grade of lieutenant shall receive the pay and allowances of lieutenant-commander in the Navy according to length of service under the provisions of law for that rank, and all chaplains now in the Navy in the grade of lieutenant shall receive their present sea pay when on shore duty: Provided, That naval chaplains hereafter appointed shall have the rank, pay, and allowances of lieutenant (junior grade) in the Navy until they shall have completed seven years of service, when they shall have the rank, pay, and allowances of lieutenant in the Navy; and lieutenants shall be promoted, whenever vacancies occur, to the grade of lieutenant-commander, which shall consist of five members, and when so promoted shall receive the rank, pay, and allowances of lieutenant-commander in the Navy: Provided further, That nothing herein contained shall be held or construed to increase the number of chaplains as now authorized by law or to reduce the rank or pay of any now serving."

In line 17 of said amendment, commencing with the word "That," have a new paragraph; and in lines 17 and 18 of said amendment strike out the words "pay and;" and in line 21 of said amendment strike out the words "pay and."

And the Senate agree to the same.